



April 10, 2009

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## ENGROSSED HOUSE BILL No. 1447

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DIGEST OF HB 1447 (Updated April 7, 2009 1:19 pm - DI 73)

**Citations Affected:** IC 5-1; IC 5-28; IC 6-1.1; IC 6-2.5; IC 6-3; IC 6-3.1; IC 6-3.5; IC 6-6; IC 6-9; IC 8-22; IC 12-20; IC 12-29; IC 13-21; IC 14-33; IC 20-23; IC 20-26; IC 20-46; IC 20-49; IC 21-34; IC 33-26; IC 36-2; IC 36-3; IC 36-4; IC 36-6; IC 36-7; IC 36-8; IC 36-9; noncode.

**Synopsis:** Taxation. Specifies that the maximum term of bonds is to be determined based on the date the bonds are issued. Provides that the maximum term or repayment period for obligations issued after June 30, 2009, that are wholly or partially payable from lease rental payments is 20 years after the date of the first lease rental payment. Provides that bonds issued for a hospital for the health and hospital corporation are not subject to the 20 year maximum term. Deletes the statute requiring a general reassessment to begin in 2009. Requires the county assessor of each county to prepare and submit to the department of local government finance (DLGF) a reassessment plan for the county. Specifies that the reassessment plan is subject to approval by the DLGF. Provides that the reassessment plan must divide all parcels of real property in the county into different groups of parcels. Requires that each group of parcels must contain at least 20% of the parcels within each class of real property in the county. Specifies that the  
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**Effective:** Upon passage; March 1, 2008 (retroactive); July 1, 2008 (retroactive); December 30, 2008 (retroactive); January 1, 2009 (retroactive); March 1, 2009 (retroactive); July 1, 2009; January 1, 2010.

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### Welch, Crawford, Turner, Davis

(SENATE SPONSORS — HERSHMAN, BRODEN)

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January 13, 2009, read first time and referred to Committee on Ways and Means.  
February 19, 2009, amended, reported — Do Pass.  
February 23, 2009, read second time, amended, ordered engrossed.  
February 24, 2009, engrossed.  
February 25, 2009, read third time, passed. Yeas 96, nays 2.

SENATE ACTION

March 3, 2009, read first time and referred to Committee on Tax and Fiscal Policy.  
April 9, 2009, amended, reported favorably — Do Pass.

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DLGF shall determine the classes of real property to be used for this purpose. Requires that the number of parcels of real property included in each group within a particular group must be approximately equal. Provides that all real property in each group of parcels shall be reassessed under the county's reassessment plan once during each cycle. Specifies that the reassessment of a group of parcels in a particular class of real property shall begin on July 1 of a year. Provides that the reassessment of the first group of parcels under a county's reassessment plan must begin on July 1, 2010, and must be completed on or before March 1, 2011. Makes conforming amendments to recognize the reassessment under the reassessment plan. Provides that if a county is more than 12 months behind in submitting certified net assessed valuations to the DLGF, the county shall have a trending factor based on property class and location developed and applied to the assessed values of properties within the county. Requires the DLGF to develop the trending factors. Specifies that the trending factor shall be applied to expedite the property assessment to the property tax billing cycle so that the county may achieve current and regular assessments and billing before the start of the next reassessment cycle. Provides that a petition for reassessment of a group of parcels must be signed by not less than 100 real property owners or 5% of real property owners and must be filed with the DLGF not later than 45 days after notice of assessment is provided. Provides that the county assessor determines the values of all classes of land in the county. Provides that a petition for the review of the land values determined by the county assessor may be filed with the DLGF. Requires the petition to be signed by at least the lesser of: (1) 100 property owners in the county; or (2) 5% of the property owners in the county. Requires the DLGF to be a party to any addendum to a contract: (1) between a county assessor and a professional appraiser; and (2) between a county and providers of assessment software. Specifies assessment procedures for golf courses. Provides that if an assessing official assesses or reassesses any real property, a tax statement or, if applicable, a reconciling property tax statement is notice to the taxpayer of the amount of the assessment or reassessment. For real property with new additions or improvements since the previous assessment date, requires a separate notice to be provided within 90 days after the assessor completes the appraisal of a parcel or receives a report for a parcel from a professional appraiser. Eliminates the requirement that a property tax exemption application be filed every two years for certain property owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes. Provides that a change in ownership of tangible property that continues to be used for an exempt purpose does not terminate an exemption but requires an owner notify the county assessor of the change in ownership. Establishes procedures concerning property tax deductions. Specifies when a mobile or manufactured home may be treated as inventory, and permits the waiver of property taxes on an abandoned mobile or manufactured home, upon petition by the title holder, when the property tax liability exceeds the resale value of the property. Extends the model home property tax assessed value deduction to 2008 assessments of model homes for property taxes first due and payable in 2009. Defines "registered voter" for purposes of the statute specifying who is eligible to sign a petition requesting a referendum for a controlled project. Allows the legislative body of a political subdivision to adopt a resolution withdrawing a controlled project from consideration at a referendum. Specifies that if a public question on a controlled project is withdrawn, a referendum on the same controlled project or a substantially similar controlled project may not be submitted to the voters earlier than one year after the date the resolution withdrawing the referendum is adopted. Requires the DLGF to post certain information regarding a proposed controlled project on the department's Internet web site. Provides that a public

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utility company's tangible personal property that is locally assessed as fixed property is instead assessed as distributable property. Exempts public utility and governmental easement documents from the property sale disclosure filing requirement. Provides that levy limits do not apply to a civil taxing unit in the first year in which the civil taxing unit becomes a participating unit in a fire protection territory. Specifies that in the first year in which a civil taxing unit becomes a participating unit in a fire protection territory, the civil taxing unit shall submit its proposed budget, proposed property tax levy, and proposed property tax rate for the fire protection territory to the DLGF for approval. Specifies that participating units in a fire protection territory may agree to change the provider unit of the territory. Authorizes the DLGF to use money in the assessment training and administration fund for data base management expenses. Eliminates the authority of a county assessor to appeal an assessment of industrial property by the DLGF. Permits a county that wants to impose a property tax levy for the first time after 2008 for a community mental health center or a community mental retardation and other developmental disabilities center to submit a first year budget for approval by the department of local government finance. Provides that the first year levy for the approved budget is outside the property tax levy limit. Provides that in the case of a taxing unit that is governed by a nonelected board and is required to submit its proposed budget and property tax levy to a municipal fiscal body for approval, the proposed budget and property tax levy must be submitted at least 30 days (rather than 14 days, under current law) before the municipal fiscal body is required to hold budget approval hearings. Changes the date for political subdivisions to complete budgets from August 10 to September 10. Eliminates a taxpayer notice of assessed value and estimated taxes that would have been required in September each year beginning in 2010. Requires a civil taxing unit to provide the county fiscal body with its proposed budget, tax rate, and levy at least 45 days, instead of 15 days, before it fixes its rate (30 days instead of 14 days for nonelected units). Provides that a civil taxing unit's preceding year levy is used if the deadline is not met. Gives the county fiscal body (or oversight unit for nonelected units) 30 days to complete its review. Provides that a county's preceding year levy is used if the deadline is not met. Moves the deadline for local budget meetings from September 30 to November 1. Removes the expiration date for the county boards of tax adjustment. Requires the county board of tax adjustment to complete its work before November 2, instead of October 1, in most counties. Provides that in Marion County and counties with second class cities the board must complete its work by December 1 instead of November 1. Changes the deadline for a civil taxing unit to appeal its levy limit from September 20 to October 20. Eliminates the local government tax control board and the school property tax control board. Changes the tax increment replacement amount for a tax increment financing (TIF) district in Marion County so that the personal property increment may be used regarding obligations issued before May 8, 1989. Eliminates the state board of accounts approval of the property tax statement. Removes the tax rate and percentage change in liability from the property tax statement. Provides that in the case of property taxes billed under a provisional tax statement: (1) the first installment is due on the later of May 10 of the year following the year of the assessment date or 30 days after the mailing of the provisional tax statement; and (2) the second installment is due on the later of November 10 of the year following the year of the assessment date or a date determined by the county treasurer that is not later than December 31 of the year following the year of the assessment date. Requires provisional tax statements and reconciling tax statements to be on forms prescribed by the DLGF. Provides that the tax liability under a provisional tax statement may be up to 100% of the tax liability that was payable in the same year as the assessment date for the

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property for which the provisional tax statement is issued. Requires a provisional tax statement to include any adjustments to the tax liability as prescribed by the DLGF. Provides that the county assessor is a nonvoting member of the property tax assessment board of appeals. Provides that the county commissioners make three (rather than two) appointments to the property tax assessment board of appeals. Provides a sales tax exemption for certain property acquired by a person that furnishes cable television or radio service or satellite television or radio service and uses the property to provide telecommunications services. Provides a sales tax exemption for equipment and devices used to monitor blood glucose level. Provides an individual income tax deduction of up to \$1,000 for the installation of solar powered roof vents or fans. Specifies that for research expense incurred after December 31, 2009, a taxpayer may choose to have the amount of the research expense tax credit determined under the existing calculation or under an alternative calculation providing the amount of the credit is equal to 10% of the part of the taxpayer's Indiana qualified research expense for the year that exceeds 50% of the taxpayer's average Indiana qualified research expense for the preceding three years. Legalizes the method used by the DLGF to reduce the 2009 maximum permissible ad valorem property tax levy of taxing units that paid benefits to members of the 1925 police pension fund, the 1937 firefighters' pension fund, or the 1953 police pension fund. Allows townships to provide fire protection or emergency services within a municipality that lies at least in part in the township and does not have a full-time, paid fire department without contracts if both legislative bodies approve. (Current law requires a municipality to lie entirely within the township to permit the arrangement.) Specifies that the provisions requiring the calculation and use of school assessment ratios and adjustment factors apply only to school corporations in counties in which a supplemental county levy is imposed. Repeals a provision requiring the calculation of a state average assessment ratio. Provides that a school corporation is to receive its proportionate share of any delinquent property taxes paid that are attributable to a year in which the school corporation did not receive 100% of its general fund distribution because of unpaid taxes. Exempts nonelected school boards from the law requiring taxing units with nonelected governing bodies to have bond issues and leases approved by the fiscal body of a county, city, or town. Provides that the budgets, tax levies, and bond issuance of a taxing unit in Marion County that: (1) is entirely within an excluded city; and (2) has an unelected governing body; are reviewable by the fiscal body of the excluded city. Requires a county income tax council to hold at least one public meeting in each odd-numbered year at which the council discusses whether the county option income tax rate should be adjusted. Provides that the board of a conservancy district may, subject to any required budget review and approval, increase the conservancy district's budget by not more than 10% for contingencies. (Current law requires the budget to be increased by 10% for contingencies.) Specifies the interest rate paid on certain conservancy district assessments after June 30, 2009, that are paid in installments. Increases the maximum amount of bonds that may be outstanding for a state educational institution's qualified energy savings projects from \$10,000,000 to \$15,000,000. Provides that under the statute authorizing political subdivisions to borrow from a financial institution to finance a public work project, the maximum term of the loan is ten years (rather than six years, under current law). Allows county option income tax revenue to be used to pay certain redevelopment bonds. Provides that for the first year that a property tax will be imposed by a solid waste management district, the district's board must present identical resolutions to each of the county fiscal bodies within the district seeking approval for the use of the property tax revenue. Provides that a district is subject to the statute that requires an entity

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with a nonelected board to get county council approval of the entity's proposed property tax levies and budget when the entity's budget is growing faster than the assessed value growth quotient. Requires the district's annual budget to be approved by a majority vote of all members of the board. Provides that in the case where all but one of the counties participating in a joint district have withdrawn from the joint district or have been removed from the joint district, the county that did not withdraw or was not removed from the joint district must designate itself as a new county district, join one or more other counties to form a new joint district, or join an existing joint district. Makes other changes concerning solid waste management districts. Adds Wabash County to the counties that may annex noncontiguous property to be used as an industrial park. Specifies that the maximum term of bonds or leases in a TIF district is to be determined based on the date the obligation is entered into (applies to districts created and obligations entered into after June 30, 2008). Provides for two semiannual installments of revenue replacing homestead credits granted to taxpayers in 2009 and 2010. Provides a school in Marion County additional time to file for a property tax exemption for taxes payable in 2007, 2008, and 2009, and authorizes a refund of taxes paid for 2007 and 2008. Provides a church in Marion County additional time to file for a property tax exemption for taxes imposed for the 2008 assessment date for land that it purchased in 2007 that is adjacent to the church's already exempt property. Allows borrowing by a fire protection district that was initially established in 2006, has experienced significant revenue shortfalls due to cumulative mathematical errors in the calculation of its maximum permissible property tax levies in 2007 and 2008, and may experience a significant revenue shortfall in 2009 and 2010 requiring the district to seek funds in addition to the amounts certified for the district's current budget to provide fire protection to district residents. Permits a county to transfer to the county's rainy day fund any money that was transferred from the county's family and children's fund and from the county's children's psychiatric residential treatment services fund to the county's levy excess fund as required in 2008. Allows the Pendleton Library to impose annual capital project fund levies that exceed the usual limits. Provides that a county that had \$10,000,000 transferred to the county's levy excess fund from the county's family and children's fund and the county's children's psychiatric residential treatment services fund to the county's levy excess fund, as required by P.L.146-2008, may distribute the money transferred to the county's levy excess fund as follows: (1) \$1,000,000 must be distributed to the county's rainy day fund; (2) two-thirds of the remainder must be distributed to the civil taxing units in the county using the same allocation used for local income taxes. Requires the commission on state tax and financing policy to study the allocation of local option income tax revenues to taxing units and report its findings and any recommendations to the legislative council before November 1, 2009. Makes other changes concerning property taxation. (The introduced version of this bill was prepared by the commission on state tax and financing policy.)

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April 10, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1447

A BILL FOR AN ACT to amend the Indiana Code concerning  
taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 5-1-14-10, AS AMENDED BY P.L.146-2008,  
2 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2009]: Sec. 10. (a) If an issuer has issued obligations under a  
4 statute that establishes a maximum term or repayment period for the  
5 obligations, notwithstanding that statute, the issuer may continue to  
6 make payments of principal, interest, or both, on the obligations after  
7 the expiration of the term or period if principal or interest owed to  
8 owners of the obligations remains unpaid.  
9 (b) This section does not authorize the use of revenues or funds to  
10 make payments of principal and interest other than those revenues or  
11 funds that were pledged for the payments before the expiration of the  
12 term or period.  
13 (c) Except as otherwise provided by this section, **IC 16-22-8-43,**  
14 **IC 36-7-12-27, or IC 36-7-14-25.1, or IC 36-9-13-30 (but only with**  
15 **respect to any bonds issued under IC 36-9-13-30 that are secured**

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by a lease entered into by a political subdivision organized and existing under IC 16-22-8), the maximum term or repayment period for obligations issued after June 30, 2008, that are wholly or partially payable from ad valorem property taxes, special benefit taxes on property, or tax increment revenues derived from property taxes may not exceed:

(1) the maximum applicable period under federal law, for obligations that are issued to evidence loans made or guaranteed by the federal government or a federal agency;

(2) twenty-five (25) years **after the date of their issuance**, for obligations that are wholly or partially payable from tax increment revenues derived from property taxes;

**(3) twenty (20) years after the date of the first lease rental payment, for obligations issued after June 30, 2009, that are wholly or partially payable from lease rental payments; or**

~~(3)~~ **(4) twenty (20) years after the date of their issuance**, for obligations that are not described in subdivision (1), ~~or~~ (2), **or (3)** and are wholly or partially payable from ad valorem property taxes or special benefit taxes on property.

SECTION 2. IC 5-28-26-18, AS AMENDED BY P.L.146-2008, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. (a) A unit may issue bonds for the purpose of providing public facilities under this chapter.

(b) The bonds are payable from any funds available to the unit.

(c) The bonds shall be authorized by a resolution of the unit.

(d) The terms and form of the bonds shall be set out either in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds must mature within:

(1) fifty (50) years **after the date of their issuance**, for bonds issued before July 1, 2008; or

(2) twenty-five (25) years **after the date of their issuance**, for bonds issued after June 30, 2008.

(f) The unit shall sell the bonds at public or private sale upon terms determined by the district.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of providing public facilities within a global commerce center, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include the cost of:

(1) planning and development of the public facilities and all related buildings, facilities, structures, and improvements;

(2) acquisition of a site and clearing and preparing the site for

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1 construction;

2 (3) equipment, facilities, structures, and improvements that are  
3 necessary or desirable to make the public facilities suitable for use  
4 and operation;

5 (4) architectural, engineering, consultant, and attorney's fees;

6 (5) incidental expenses in connection with the issuance and sale  
7 of bonds;

8 (6) reserves for principal and interest;

9 (7) interest during construction and for a period thereafter  
10 determined by the district, but not to exceed five (5) years;

11 (8) financial advisory fees;

12 (9) insurance during construction;

13 (10) municipal bond insurance, debt service reserve insurance,  
14 letters of credit, or other credit enhancement; and

15 (11) in the case of refunding or refinancing, payment of the  
16 principal of, redemption premiums, if any, for, and interest on, the  
17 bonds being refunded or refinanced.

18 (h) A unit that issues bonds under this section may enter an  
19 interlocal agreement with any other unit located in the area served by  
20 the district in which the global commerce center is designated. A party  
21 to an agreement under this section may pledge any of its revenues,  
22 including taxes or allocated taxes under IC 36-7-14, to the bonds or  
23 lease rental obligations of another party to the agreement.

24 SECTION 3. IC 6-1.1-1-3.8 IS ADDED TO THE INDIANA CODE  
25 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
26 JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 3.8. "Civil taxing unit"**  
27 **has the meaning set forth in IC 6-1.1-18.5-1.**

28 SECTION 4. IC 6-1.1-1-8.2 IS ADDED TO THE INDIANA CODE  
29 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
30 1, 2009]: **Sec. 8.2. "Homestead" has the meaning set forth in**  
31 **IC 6-1.1-12-37.**

32 SECTION 5. IC 6-1.1-1-8.4, AS ADDED BY P.L.146-2008,  
33 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
34 JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 8.4. (a) "Inventory"**  
35 **means:**

36 (1) materials held for processing or for use in production;

37 (2) finished or partially finished goods of a manufacturer or  
38 processor; and

39 (3) property held for sale in the ordinary course of trade or  
40 business.

41 **(b) The term includes:**

42 (1) items that qualify as inventory under 50 IAC 4.2-5-1 (as

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effective December 31, 2008); and

(2) subject to subsection (c), a mobile home or manufactured home that:

(A) does not qualify as real property;

(B) is located in a mobile home community; and

(C) has never been occupied.

SECTION 6. IC 6-1.1-1-8.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 8.8. "Mobile home community" has the meaning set forth in IC 16-41-27-5.**

SECTION 7. IC 6-1.1-3-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 22. (a) Except to the extent that it conflicts with a statute and subject to subsection (f), 50 IAC 4.2 (as in effect January 1, 2001), which was formerly incorporated by reference into this section, is reinstated as a rule.

(b) Tangible personal property within the scope of 50 IAC 4.2 (as in effect January 1, 2001) shall be assessed on the assessment dates in calendar years 2003 and thereafter in conformity with 50 IAC 4.2 (as in effect January 1, 2001).

(c) The publisher of the Indiana Administrative Code shall publish 50 IAC 4.2 (as in effect January 1, 2001) in the Indiana Administrative Code.

(d) 50 IAC 4.3 and any other rule to the extent that it conflicts with this section is void.

(e) A reference in 50 IAC 4.2 to a governmental entity that has been terminated or a statute that has been repealed or amended shall be treated as a reference to its successor.

(f) The department of local government finance may not amend or repeal the following (all as in effect January 1, 2001):

(1) 50 IAC 4.2-4-3(f).

(2) 50 IAC 4.2-4-7.

(3) 50 IAC 4.2-4-9.

~~(4) 50 IAC 4.2-5-7.~~

~~(5) 50 IAC 4.2-5-13.~~

~~(6) (4) 50 IAC 4.2-6-1.~~

~~(7) (5) 50 IAC 4.2-6-2.~~

~~(8) (6) 50 IAC 4.2-8-9.~~

SECTION 8. IC 6-1.1-4-4, AS AMENDED BY P.L.146-2008, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) ~~A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1,~~

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2000; and be the basis for taxes payable in 2003. The county assessor of each county shall, before January 1, 2010, prepare and submit to the department of local government finance a reassessment plan for the county. The following apply to a reassessment plan prepared and submitted under this section:

(1) The reassessment plan is subject to approval by the department of local government finance.

(2) The department of local government finance shall determine the classes of real property to be used for purposes of this section.

(3) Except as provided in subsection (b), the reassessment plan must divide all parcels of real property in the county into five (5) different groups of parcels. Each group of parcels must contain approximately twenty percent (20%) of the parcels within each class of real property in the county.

(4) Except as provided in subsection (b), all real property in each group of parcels shall be reassessed under the county's reassessment plan once during each five (5) year cycle.

(5) The reassessment of a group of parcels in a particular class of real property shall begin on July 1 of a year.

(6) The reassessment of parcels:

(A) must include a physical inspection of each parcel of real property in the group of parcels that is being reassessed; and

(B) shall be completed on or before March 1 of the year after the year in which the reassessment of the group of parcels begins.

(7) For real property included in a group of parcels that is reassessed, the reassessment is the basis for taxes payable in the year following the year in which the reassessment is to be completed.

(b) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 2009; and each fifth year thereafter. Each reassessment under this subsection:

(1) shall be completed on or before March 1 of the year that succeeds by two (2) years the year in which the general reassessment begins; and

(2) shall be the basis for taxes payable in the year following the year in which the general assessment is to be completed.

(c) In order to ensure that assessing officials are prepared for a general reassessment of real property, the department of local government finance shall give adequate advance notice of the general

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reassessment to the assessing officials of each county.

(b) A county may submit a reassessment plan that provides for reassessing more than twenty percent (20%) of all parcels of real property in the county in a particular year. A plan may provide that all parcels are to be reassessed in one (1) year. However, a plan must cover a five (5) year period and provide that at least twenty percent (20%) of all parcels will be reassessed each year during the five (5) year period. Each group of parcels must contain approximately an equal percentage of the parcels within each class of real property in the county. All real property in each group of parcels shall be reassessed under the county's reassessment plan once during each reassessment cycle.

(c) The reassessment of the first group of parcels under a county's reassessment plan shall begin on July 1, 2010, and shall be completed on or before March 1, 2011.

SECTION 9. IC 6-1.1-4-4.5, AS AMENDED BY P.L.228-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4.5. (a) The department of local government finance shall adopt rules establishing a system for annually adjusting the assessed value of real property to account for changes in value in those years since a ~~general~~ reassessment ~~of~~ **under a county's reassessment plan for the property** last took effect.

(b) Subject to subsection (e), the system must be applied to adjust assessed values beginning with the 2006 assessment date and each year thereafter that is not a year in which a reassessment **under the county's reassessment plan for the property** becomes effective.

(c) The rules adopted under subsection (a) must include the following characteristics in the system:

(1) Promote uniform and equal assessment of real property within and across classifications.

(2) Require that assessing officials:

(A) reevaluate the factors that affect value;

(B) express the interactions of those factors mathematically;

(C) use mass appraisal techniques to estimate updated property values within statistical measures of accuracy; and

(D) provide notice to taxpayers of an assessment increase that results from the application of annual adjustments.

(3) Prescribe procedures that permit the application of the adjustment percentages in an efficient manner by assessing officials.

(d) The department of local government finance must review and certify each annual adjustment determined under this section.

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(e) In making the annual determination of the base rate to satisfy the requirement for an annual adjustment under subsection (a), the department of local government finance shall determine the base rate using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of the department of local government finance's Real Property Assessment Guidelines (as in effect on January 1, 2005), except that the department shall adjust the methodology to use a six (6) year rolling average instead of a four (4) year rolling average.

SECTION 10. IC 6-1.1-4-4.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.6. The following apply to a county that is more than twelve (12) months behind in submitting certified net assessed valuations to the department of local government finance:**

(1) The county shall have a trending factor based on property class and location developed and applied to the assessed values of properties within the county. The trending factor shall be applied to expedite the property assessment to the property tax billing cycle so that the county may achieve current and regular property tax assessments and property tax billing.

(2) The department of local government finance shall develop the trending factors under this section. The trending factors must be derived from ratio studies or other market analyses, such as sales disclosure forms or government studies, as determined by the department of local government finance.

(3) The trending factors shall be provided by the department of local government finance to the county assessor for application to the assessed values of the properties in the county as directed by the department of local government finance.

(4) Trending factors may be developed and applied under this section to the assessed values of properties within a county more than once if the county is more than twelve (12) months behind in submitting certified net assessed valuations to the department of local government finance after a previous application under this section of trending factors to properties in the county.

SECTION 11. IC 6-1.1-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 5. (a) A petition for the reassessment of a real property ~~situated within a township group designated under a county's reassessment plan~~ may be filed

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with the department of local government finance ~~on or before March 31st of any year which is not a general election year and in which no general reassessment of real property is made: not later than forty-five (45) days after notice of assessment. A petition for reassessment of real property applies only to the most recent real property assessment date.~~

(b) The petition for reassessment must be signed by ~~not less than the following percentage of all the owners of taxable the lesser of one hundred (100) real property who reside in the township: owners of parcels in the group or five percent (5%) of real property owners of parcels in the group.~~

(1) fifteen percent (15%) for a township which does not contain an incorporated city or town;

(2) five percent (5%) for a township containing all or part of an incorporated city or town which has a population of five thousand (5,000) or less;

(3) four percent (4%) for a township containing all or part of an incorporated city which has a population of more than five thousand (5,000) but not exceeding ten thousand (10,000);

(4) three percent (3%) for a township containing all or part of an incorporated city which has a population of more than ten thousand (10,000) but not exceeding fifty thousand (50,000);

(5) two percent (2%) for a township containing all or part of an incorporated city which has a population of more than fifty thousand (50,000) but not exceeding one hundred fifty thousand (150,000); or

(6) one percent (1%) for a township containing all or part of an incorporated city which has a population of more than one hundred fifty thousand (150,000);

The signatures on the petition must be verified by the oath of one (1) or more of the signers. ~~And;~~ A certificate of the county auditor stating that the signers constitute the required number of ~~resident~~ owners of taxable real property ~~of the township in the group of parcels~~ must accompany the petition.

(c) ~~Upon receipt of a petition under subsection (a), the department of local government finance may order a reassessment under section 9 of this chapter or conduct a reassessment under section 31.5 of this chapter.~~

SECTION 12. IC 6-1.1-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. If the department of local government finance determines that a petition filed under section 5 of this chapter has been signed by the required number

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of petitioners and that the present assessed value of any real property is inequitable, the department of local government finance shall order a reassessment of the real property ~~which has been inequitably assessed; in the group for which the petition was filed.~~ The order shall specify the time within which the reassessment shall be completed and the date on which the reassessment shall become effective.

SECTION 13. IC 6-1.1-4-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 9. In order to maintain a just and equitable valuation of real property, the department of local government finance may adopt a resolution declaring its belief that it is necessary to reassess all or a portion of the real property located within this state. If the department of local government finance adopts a reassessment resolution and if ~~either a township or a larger area is one (1) or more groups of parcels under the county's reassessment plan~~ are involved, the department shall hold a hearing concerning the necessity for the reassessment at the courthouse of the county in which the property is located. The department of local government finance shall give notice of the time and place of the hearing in the manner provided in section 10 of this chapter. After the hearing, or if the area involved is ~~less than a township;~~ **only one (1) group of parcels under the county's reassessment plan**, after the adoption of the resolution of the department of local government finance, the department may order any reassessment it deems necessary. The order shall specify the time within which the reassessment must be completed and the date the reassessment will become effective.

SECTION 14. IC 6-1.1-4-13.6, AS AMENDED BY P.L.146-2008, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 13.6. (a) The ~~township assessor; or the county assessor if there is no township assessor for the township;~~ shall determine the values of all classes of commercial, industrial, and residential land (including farm homesites) in the ~~township or county~~ using guidelines determined by the department of local government finance. Not later than November 1, ~~of the year preceding the year in which a general reassessment becomes effective; 2010, and every fifth year thereafter,~~ the assessor determining the values of land shall submit the values to the county property tax assessment board of appeals. ~~Not later than December 1 of the year, preceding the year in which a general reassessment becomes effective; the county property tax assessment board of appeals shall hold a public hearing in the county concerning those values. The property tax assessment board of appeals shall give notice of the hearing in accordance with IC 5-3-1.~~

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and shall hold the hearing after March 31 and before December 1 of the year preceding the year in which the general reassessment under section 4 of this chapter becomes effective.

(b) The county property tax assessment board of appeals shall review the values submitted under subsection (a) and may make any modifications it considers necessary to provide uniformity and equality. The county property tax assessment board of appeals shall coordinate the valuation of property adjacent to the boundaries of the county with the county property tax assessment boards of appeals of the adjacent counties using the procedures adopted by rule under IC 4-22-2 by the department of local government finance. If the county assessor fails to submit ~~determine~~ land values under subsection (a) to the county property tax assessment board of appeals before the November 1 of the year before the date the general reassessment under section 4 of this chapter becomes effective, ~~deadline~~, the county property tax assessment board of appeals shall determine the values. If the county property tax assessment board of appeals fails to determine the values before the general reassessment becomes land values become effective, the department of local government finance shall determine the values.

(c) The county assessor shall notify all township assessors in the county (if any) of the values, as modified by the county property tax assessment board of appeals. Assessing officials shall use the values determined under this section.

(d) A petition for the review of the land values determined by a county assessor under this section may be filed with the department of local government finance not later than forty-five (45) days after the county assessor makes the determination of the land values. The petition must be signed by at least the lesser of:

- (1) one hundred (100) property owners in the county; or
- (2) five percent (5%) of the property owners in the county.

(e) Upon receipt of a petition for review under subsection (d), the department of local government finance:

- (1) shall review the land values determined by the county assessor; and
- (2) after a public hearing, shall:
  - (A) approve;
  - (B) modify; or
  - (C) disapprove;
 the land values.

SECTION 15. IC 6-1.1-4-16, AS AMENDED BY P.L.146-2008, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JANUARY 1, 2010]: Sec. 16. (a) For purposes of making a ~~general~~ reassessment of real property **under a county's reassessment plan** or annual adjustments under section 4.5 of this chapter, a township assessor (if any) and a county assessor may employ:

- (1) deputies;
- (2) employees; and
- (3) technical advisors who are:
  - (A) qualified to determine real property values;
  - (B) professional appraisers certified under 50 IAC 15; and
  - (C) employed either on a full-time or a part-time basis, subject to sections 18.5 and 19.5 of this chapter.

(b) The county council of each county shall appropriate the funds necessary for the employment of deputies, employees, or technical advisors employed under subsection (a) of this section.

SECTION 16. IC 6-1.1-4-17, AS AMENDED BY P.L.146-2008, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 17. (a) Subject to the approval of the department of local government finance and the requirements of section 18.5 of this chapter, a county assessor may employ professional appraisers as technical advisors for assessments in all townships in the county. The department of local government finance may approve employment under this subsection only if the department is a party to the employment contract **and any addendum to the employment contract.**

(b) A decision by a county assessor to not employ a professional appraiser as a technical advisor in a ~~general~~ reassessment **under a county's reassessment plan** is subject to approval by the department of local government finance.

(c) As used in this chapter, "professional appraiser" means an individual or firm that is certified under IC 6-1.1-31.7.

SECTION 17. IC 6-1.1-4-19.5, AS AMENDED BY P.L.146-2008, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 19.5. (a) The department of local government finance shall develop a standard contract or standard provisions for contracts to be used in securing professional appraising services.

(b) The standard contract or contract provisions must contain:

- (1) a fixed date by which the professional appraiser or appraisal firm shall have completed all responsibilities under the contract;
- (2) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;
- (3) a provision requiring the appraiser, or appraisal firm, to make

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periodic reports to the county assessor;

(4) a provision stipulating the manner in which, and the time intervals at which, the periodic reports referred to in subdivision (3) of this subsection are to be made;

(5) a precise stipulation of what service or services are to be provided and what class or classes of property are to be appraised;

(6) a provision stipulating that the contractor will generate complete parcel characteristics and parcel assessment data in a manner and format acceptable to the legislative services agency and the department of local government finance;

(7) a provision stipulating that the legislative services agency and the department of local government finance have unrestricted access to the contractor's work product under the contract; and

(8) a provision stating that the department of local government finance is a party to the contract **and any addendum to the contract.**

The department of local government finance may devise other necessary provisions for the contracts in order to give effect to this chapter.

(c) In order to comply with the duties assigned to it by this section, the department of local government finance may develop:

(1) one (1) or more model contracts;

(2) one (1) contract with alternate provisions; or

(3) any combination of subdivisions (1) and (2).

The department may approve special contract language in order to meet any unusual situations.

SECTION 18. IC 6-1.1-4-20, AS AMENDED BY P.L.146-2008, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 20. The department of local government finance may establish a period, with respect to each ~~general~~ reassessment **under a county's reassessment plan**, that is the only time during which a county assessor may enter into a contract with a professional appraiser. ~~The period set by the department of local government finance may not begin before January 1 of the year the general reassessment begins. If no period is established by the department of local government finance, a county assessor may enter into such a contract only on or after January 1 and before April 16 of the year in which the general reassessment is to commence.~~

SECTION 19. IC 6-1.1-4-21, AS AMENDED BY P.L.146-2008, SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 21. (a) If during a period of ~~general~~ reassessment, a county assessor personally makes the real property

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appraisals; The appraisals of the parcels in a group under a county's reassessment plan and subject to taxation must be completed as follows:

(1) The appraisal of ~~one-fourth (1/4)~~ **one-third (1/3)** of the parcels shall be completed before ~~December~~ **October** 1 of the year in which the ~~general group's~~ reassessment **under the county reassessment plan** begins.

(2) The appraisal of ~~one-half (1/2)~~ **two-thirds (2/3)** of the parcels shall be completed before ~~May~~ **January** 1 of the year following the year in which the ~~general group's~~ reassessment **under the county reassessment plan** begins.

(3) The appraisal of ~~three-fourths (3/4)~~ of the parcels shall be completed before ~~October 1~~ of the year following the year in which the general reassessment begins.

~~(4)~~ (3) The appraisal of all the parcels shall be completed before March 1 of the ~~second~~ year following the year in which the ~~general group's~~ reassessment **under the county reassessment plan** begins.

(b) If a county assessor employs a professional appraiser or a professional appraisal firm to make real property appraisals during a period of general reassessment, of a group of parcels under a county's reassessment plan, the professional appraiser or appraisal firm must file appraisal reports with the county assessor as follows:

(1) The appraisals for ~~one-fourth (1/4)~~ of the parcels shall be reported before ~~December 1~~ of the year in which the general reassessment begins.

(2) The appraisals for ~~one-half (1/2)~~ of the parcels shall be reported before ~~May 1~~ of the year following the year in which the general reassessment begins.

(3) The appraisals for ~~three-fourths (3/4)~~ of the parcels shall be reported before ~~October 1~~ of the year following the year in which the general reassessment begins.

(4) The appraisals for all the parcels shall be reported before ~~March 1~~ of the ~~second~~ year following the year in which the general reassessment begins.

by the dates set forth in subsection (a). However, the reporting requirements prescribed in this subsection do not apply if the contract under which the professional appraiser, or appraisal firm, is employed prescribes different reporting procedures.

SECTION 20. IC 6-1.1-4-22, AS AMENDED BY P.L.146-2008, SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 22. (a) If any assessing official assesses or

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reassesses any real property under this article, ~~the official shall give notice to the taxpayer and the county assessor, by mail, a tax statement under IC 6-1.1-22-8.1 or, if applicable, a reconciling property tax statement under IC 6-1.1-22.5 is notice to the taxpayer~~ of the amount of the assessment or reassessment.

(b) ~~During a period of general reassessment, each township or county assessor shall mail the notice required by this section~~ **For real property with new additions or improvements since the previous assessment date, if any assessing official assesses or reassesses the real property under this article, the official shall give notice (separate from the notice required by subsection (a)) to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment** within ninety (90) days after the assessor:

- (1) completes the appraisal of a parcel; or
- (2) receives a report for a parcel from a professional appraiser or professional appraisal firm.

SECTION 21. IC 6-1.1-4-27.5, AS AMENDED BY P.L.146-2008, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 27.5. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county levies for the county's property reassessment fund.

(b) With respect to the general reassessment of real property that is to commence on July 1, 2009, the county council of each county shall, for property taxes due in 2006, 2007, 2008, and 2009, levy in each year against all the taxable property in the county an amount equal to one-fourth (1/4) of the remainder of:

- (1) the estimated costs referred to in section 28.5(a) of this chapter; minus
- (2) the amount levied under this section by the county council for property taxes due in 2004 and 2005.

(c) With respect to a ~~general~~ reassessment of real property ~~that is to commence on July 1, 2014, and each fifth year thereafter, under a county's reassessment plan after December 31, 2009,~~ the county council of each county shall, for property taxes due ~~in the year that the general reassessment is to commence and the four (4) years preceding that each year,~~ levy against all the taxable property in the county an amount equal to ~~one-fifth (1/5) of the estimated costs of the general~~ reassessment under section 28.5 of this chapter.

(d) The department of local government finance shall give to each county council notice, before January 1 in a year, of the tax levies required by this section for that year.

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(e) The department of local government finance may raise or lower the property tax levy under this section for a year if the department determines it is appropriate because the estimated cost of:

(1) a ~~general~~ reassessment of a group of parcels under a county's reassessment plan; or

(2) making annual adjustments under section 4.5 of this chapter; has changed.

(f) The county assessor may petition the county fiscal body to increase the levy under subsection (b) or (c) to pay for the costs of:

(1) a ~~general~~ reassessment of a group of parcels under a county's reassessment plan;

(2) verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to the county assessor under IC 6-1.1-5.5-3; or

(3) processing annual adjustments under section 4.5 of this chapter.

The assessor must document the needs and reasons for the increased funding.

(g) If the county fiscal body denies a petition under subsection (f), the county assessor may appeal to the department of local government finance. The department of local government finance shall:

(1) hear the appeal; and

(2) determine whether the additional levy is necessary.

SECTION 22. IC 6-1.1-4-28.5, AS AMENDED BY P.L.146-2008, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:

(1) the ~~general~~ reassessment of real property under a county's reassessment plan, including the computerization of assessment records;

(2) payments to assessing officials and hearing officers for county property tax assessment boards of appeals under IC 6-1.1-35.2;

(3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;

(4) the updating of plat books;

(5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist assessing officials;

(6) making annual adjustments under section 4.5 of this chapter; and

(7) the verification under 50 IAC 21-3-2 of sales disclosure forms

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forwarded to:

(A) the county assessor; or

(B) township assessors (if any);

under IC 6-1.1-5.5-3.

Money in a property tax reassessment fund may not be transferred or reassigned to any other fund and may not be used for any purposes other than those set forth in this section.

(b) All counties shall use modern, detailed soil maps in the ~~general~~ reassessment of agricultural land.

(c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund. Any interest received from investment of the money shall be paid into the property reassessment fund.

(d) An appropriation under this section must be approved by the fiscal body of the county after the review and recommendation of the county assessor. However, in a county with a township assessor in every township, the county assessor does not review an appropriation under this section, and only the fiscal body must approve an appropriation under this section.

SECTION 23. IC 6-1.1-4-29, AS AMENDED BY P.L.146-2008, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 29. (a) The expenses of a reassessment, except those incurred by the department of local government finance in performing its normal functions, shall be paid by the county in which the reassessed property is situated. These expenses, except for the expenses of a ~~general~~ reassessment **of a group of parcels under a county's reassessment plan**, shall be paid from county funds. The county auditor shall issue warrants for the payment of reassessment expenses. No prior appropriations are required in order for the auditor to issue warrants.

(b) An order of the department of local government finance directing the reassessment of property shall contain an estimate of the cost of making the reassessment. The assessing officials in the county, the county property tax assessment board of appeals, and the county auditor may not exceed the amount so estimated by the department of local government finance.

SECTION 24. IC 6-1.1-4-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 30. In making any assessment or reassessment of real property in the interim between ~~general~~ reassessments **of that real property under a county's reassessment plan**, the rules, regulations, and standards for assessment are the same as those used **for that real property** in the preceding

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1 ~~general~~ reassessment of that group of parcels under a county's  
2 **reassessment plan.**

3 SECTION 25. IC 6-1.1-4-31, AS AMENDED BY P.L.146-2008,  
4 SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 JANUARY 1, 2010]: Sec. 31. (a) The department of local government  
6 finance shall periodically check the conduct of:

7 (1) a ~~general~~ reassessment of property **under a county's**  
8 **reassessment plan;**

9 (2) work required to be performed by local officials under 50  
10 IAC 21; and

11 (3) other property assessment activities in the county, as  
12 determined by the department.

13 The department of local government finance may inform township  
14 assessors (if any), county assessors, and the presidents of county  
15 councils in writing if its check reveals that ~~the general a~~ reassessment  
16 or other property assessment activities are not being properly  
17 conducted, work required to be performed by local officials under 50  
18 IAC 21 is not being properly conducted, or property assessments are  
19 not being properly made.

20 (b) The failure of the department of local government finance to  
21 inform local officials under subsection (a) shall not be construed as an  
22 indication by the department that:

23 (1) the ~~general~~ reassessment **under a county's reassessment**  
24 **plan** or other property assessment activities are being properly  
25 conducted;

26 (2) work required to be performed by local officials under 50  
27 IAC 21 is being properly conducted; or

28 (3) property assessments are being properly made.

29 (c) If the department of local government finance:

30 (1) determines under subsection (a) that a ~~general~~ reassessment  
31 **under a county's reassessment plan** or other assessment  
32 activities ~~for a general reassessment year or any other year~~ are not  
33 being properly conducted; and

34 (2) informs:

35 (A) the township assessor (if any) of each affected township;

36 (B) the county assessor; and

37 (C) the president of the county council;

38 in writing under subsection (a);

39 the department may order a state conducted assessment or reassessment  
40 under section 31.5 of this chapter to begin not less than sixty (60) days  
41 after the date of the notice under subdivision (2). ~~If the department~~  
42 ~~determines during the period between the date of the notice under~~

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subdivision (2) and the proposed date for beginning the state conducted assessment or reassessment that the general reassessment or other assessment activities for the general reassessment are being properly conducted; the department may rescind the order.

(d) If the department of local government finance:

(1) determines under subsection (a) that work required to be performed by local officials under 50 IAC 21 is not being properly conducted; and

(2) informs:

(A) the township assessor of each affected township (if any);

(B) the county assessor; and

(C) the president of the county council;

in writing under subsection (a);

the department may conduct the work or contract to have the work conducted to begin not less than sixty (60) days after the date of the notice under subdivision (2). If the department determines during the period between the date of the notice under subdivision (2) and the proposed date for beginning the work or having the work conducted that work required to be performed by local officials under 50 IAC 21 is being properly conducted, the department may rescind the order.

(e) If the department of local government finance contracts to have work conducted under subsection (d), the department shall forward the bill for the services to the county and the county shall pay the bill under the same procedures that apply to county payments of bills for assessment or reassessment services under section 31.5 of this chapter.

(f) A county council president who is informed by the department of local government finance under subsection (a) shall provide the information to the board of county commissioners. A board of county commissioners that receives information under this subsection may adopt an ordinance to do either or both of the following:

(1) Determine that:

(A) the information indicates that the county assessor has failed to perform adequately the duties of county assessor; and

(B) by that failure the county assessor forfeits the office of county assessor and is subject to removal from office by an information filed under IC 34-17-2-1(b).

(2) Determine that:

(A) the information indicates that one (1) or more township assessors in the county have failed to perform adequately the duties of township assessor; and

(B) by that failure the township assessor or township assessors forfeit the office of township assessor and are subject to

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1 removal from office by an information filed under  
2 IC 34-17-2-1(b).

3 (g) A city-county council that is informed by the department of local  
4 government finance under subsection (a) may adopt an ordinance  
5 making the determination or determinations referred to in subsection  
6 (f).

7 SECTION 26. IC 6-1.1-4-31.5, AS AMENDED BY P.L.146-2008,  
8 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9 JANUARY 1, 2010]: Sec. 31.5. (a) As used in this section,  
10 "department" refers to the department of local government finance.

11 (b) If the department makes a determination and informs local  
12 officials under section 31(c) of this chapter, the department may order  
13 a state conducted assessment or reassessment in the county subject to  
14 the time limitation in that subsection.

15 (c) If the department orders a state conducted assessment or  
16 reassessment in a county, the department shall assume the duties of the  
17 county assessor. Notwithstanding sections 15 and 17 of this chapter, a  
18 county assessor subject to an order issued under this section may not  
19 assess property or have property assessed for the assessment or ~~general~~  
20 reassessment **under a county's reassessment plan**. Until the state  
21 conducted assessment or reassessment is completed under this section,  
22 the assessment or reassessment duties of the county assessor are  
23 limited to providing the department or a contractor of the department  
24 the support and information requested by the department or the  
25 contractor.

26 (d) Before assuming the duties of a county assessor, the department  
27 shall transmit a copy of the department's order requiring a state  
28 conducted assessment or reassessment to the county assessor, the  
29 county fiscal body, the county auditor, and the county treasurer. Notice  
30 of the department's actions must be published one (1) time in a  
31 newspaper of general circulation published in the county. The  
32 department is not required to conduct a public hearing before taking  
33 action under this section.

34 (e) A county assessor subject to an order issued under this section  
35 shall, at the request of the department or the department's contractor,  
36 make available and provide access to all:

- 37 (1) data;
- 38 (2) records;
- 39 (3) maps;
- 40 (4) parcel record cards;
- 41 (5) forms;
- 42 (6) computer software systems;

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(7) computer hardware systems; and

(8) other information;

related to the assessment or reassessment of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to an assessment or a ~~general~~ reassessment **under a county's reassessment plan** and is subject to IC 6-1.1-37-2.

(f) The department may enter into a contract with a professional appraising firm to conduct an assessment or reassessment under this section. If a county entered into a contract with a professional appraising firm to conduct the county's assessment or reassessment before the department orders a state conducted assessment or reassessment in the county under this section, the contract:

(1) is as valid as if it had been entered into by the department; and

(2) shall be treated as the contract of the department.

(g) After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (f), the department shall give notice to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment. The notice of assessment or reassessment:

(1) is subject to appeal by the taxpayer under section 31.7 of this chapter; and

(2) must include a statement of the taxpayer's rights under section 31.7 of this chapter.

(h) The department shall forward a bill for services provided under a contract described in subsection (f) to the auditor of the county in which the state conducted reassessment occurs. The county shall pay the bill under the procedures prescribed by subsection (i).

(i) A county subject to an order issued under this section shall pay the cost of a contract described in subsection (f), without appropriation, from the county property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under the contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

(1) submits to the department a fully itemized, certified bill in the form required by IC 5-11-10-1 for the costs of the work performed under the contract;

(2) obtains from the department:

(A) approval of the form and amount of the bill; and

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- 1 (B) a certification that the billed goods and services have been  
 2 received and comply with the contract; and  
 3 (3) files with the county auditor:  
 4 (A) a duplicate copy of the bill submitted to the department;  
 5 (B) proof of the department's approval of the form and amount  
 6 of the bill; and  
 7 (C) the department's certification that the billed goods and  
 8 services have been received and comply with the contract.

9 The department's approval and certification of a bill under subdivision  
 10 (2) shall be treated as conclusively resolving the merits of a contractor's  
 11 claim. Upon receipt of the documentation described in subdivision (3),  
 12 the county auditor shall immediately certify that the bill is true and  
 13 correct without further audit and submit the claim to the county  
 14 executive. The county executive shall allow the claim, in full, as  
 15 approved by the department, without further examination of the merits  
 16 of the claim in a regular or special session that is held not less than  
 17 three (3) days and not more than seven (7) days after the date the claim  
 18 is certified by the county fiscal officer if the procedures in IC 5-11-10-2  
 19 are used to approve the claim or the date the claim is placed on the  
 20 claim docket under IC 36-2-6-4 if the procedures in IC 36-2-6-4 are  
 21 used to approve the claim. Upon allowance of the claim by the county  
 22 executive, the county auditor shall immediately issue a warrant or  
 23 check for the full amount of the claim approved by the department.  
 24 Compliance with this subsection constitutes compliance with  
 25 IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and  
 26 payment of a claim in compliance with this subsection is not subject to  
 27 remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply  
 28 to a claim submitted under this subsection. IC 5-11-10-1.6(d) applies  
 29 to a fiscal officer who pays a claim in compliance with this subsection.

30 (j) Notwithstanding IC 4-13-2, a period of seven (7) days is  
 31 permitted for each of the following to review and act under IC 4-13-2  
 32 on a contract of the department entered into under this section:

- 33 (1) The commissioner of the Indiana department of  
 34 administration.  
 35 (2) The director of the budget agency.  
 36 (3) The attorney general.

37 (k) If money in the county's property reassessment fund is  
 38 insufficient to pay for an assessment or reassessment conducted under  
 39 this section, the department may increase the tax rate and tax levy of  
 40 the county's property reassessment fund to pay the cost and expenses  
 41 related to the assessment or reassessment.

42 (l) The department or the contractor of the department shall use the

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land values determined under section 13.6 of this chapter for a county subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land, as determined under this article and the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter do not reflect the true tax value of land, the department or the contractor shall determine land values for the county that reflect the true tax value of land, as determined under this article and the rules of the department. Land values determined under this subsection shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The department or the contractor of the department shall notify the county's assessing officials of the land values determined under this subsection.

(m) A contractor of the department may notify the department if:

(1) a county auditor fails to:

(A) certify the contractor's bill;

(B) publish the contractor's claim;

(C) submit the contractor's claim to the county executive; or

(D) issue a warrant or check for payment of the contractor's bill;

as required by subsection (i) at the county auditor's first legal opportunity to do so;

(2) a county executive fails to allow the contractor's claim as legally required by subsection (i) at the county executive's first legal opportunity to do so; or

(3) a person or an entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts progress under this section for payment of the contractor's bill.

(n) The department, upon receiving notice under subsection (m) from a contractor of the department, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

(A) a failure occurred as described in subsection (m)(1) or (m)(2); or

(B) a person or an entity acted or failed to act as described in subsection (m)(3); and

(2) provide to the treasurer of state the department's approval under subsection (i)(2)(A) of the contractor's bill with respect to which the contractor gave notice under subsection (m).

(o) Upon receipt of the department's approval of a contractor's bill

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under subsection (n), the treasurer of state shall pay the contractor the amount of the bill approved by the department from money in the possession of the state that would otherwise be available for distribution to the county, including distributions of admissions taxes or wagering taxes.

(p) The treasurer of state shall withhold from the money that would be distributed under IC 4-33-12-6, IC 4-33-13-5, or any other law to a county described in a notice provided under subsection (m) the amount of a payment made by the treasurer of state to the contractor of the department under subsection (o). Money shall be withheld from any source payable to the county.

(q) Compliance with subsections (m) through (p) constitutes compliance with IC 5-11-10.

(r) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (m) through (p). This subsection and subsections (m) through (p) must be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county subject to this section are paid. Nothing in this section shall be construed to create a debt of the state.

(s) The provisions of this section are severable as provided in IC 1-1-1-8(b).

SECTION 27. IC 6-1.1-4-42 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: **Sec. 42. (a) This section applies to assessment dates after January 15, 2009.**

**(b) As used in this section, "golf course" means an area of land and yard improvements that are predominately used to play the game of golf. A golf course consists of a series of holes, each consisting of a teeing area, fairway, rough and other hazards, and the green with the pin and cup.**

**(c) The true tax value of real property regularly used as a golf course is the lowest valuation determined by applying the income capitalization appraisal approach. The income capitalization approach used to determine the true tax value of a golf course must:**

- (1) incorporate an applicable income capitalization method and appropriate capitalization rates that are developed and used in computations that lead to an indication of value commensurate with the risks for the subject property use;**
- (2) provide for the uniform and equal assessment of golf courses of similar grade quality and play length; and**
- (3) exclude the value of personal property, intangible**

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property, and income derived from personal or intangible property.

(d) For assessment dates after January 15, 2009, and before March 1, 2012, a township assessor (if any) or the county assessor shall gather and process information from the owner of a golf course to carry out this section in accordance with the rules adopted by the department of local government finance under IC 4-22-2.

(e) For assessment dates after February 28, 2012, the department of local government finance shall, by rules adopted under IC 4-22-2, establish uniform income capitalization tables and procedures to be used for the assessment of golf courses. The department of local government finance may rely on analysis conducted by a state educational institution to develop the income capitalization tables and procedures required under this section. Assessing officials shall use the tables and procedures adopted by the department of local government finance to assess, reassess, and annually adjust the assessed value of golf courses.

(f) The department of local government finance may prescribe procedures, forms, and due dates for the collection from the owners or operators of golf courses of the necessary earnings, income, profits, losses, and expenditures data necessary to carry out this section. An owner or operator of a golf course shall comply with the procedures and reporting schedules prescribed by the department of local government finance.

SECTION 28. IC 6-1.1-5.5-2, AS AMENDED BY P.L.144-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) As used in this chapter, "conveyance document" means any of the following:

(1) Any of the following that purports to transfer a real property interest for valuable consideration:

(A) A document.

(B) A deed.

(C) A contract of sale.

(D) An agreement.

(E) A judgment.

(F) A lease that includes the fee simple estate and is for a period in excess of ninety (90) years.

(G) A quitclaim deed serving as a source of title.

(H) Another document presented for recording.

(2) Documents for compulsory transactions as a result of foreclosure or express threat of foreclosure, divorce, court order,

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condemnation, or probate.

(3) Documents involving the partition of land between tenants in common, joint tenants, or tenants by the entirety.

(b) The term does not include the following:

(1) Security interest documents such as mortgages and trust deeds.

(2) Leases that are for a term of less than ninety (90) years.

(3) Agreements and other documents for mergers, consolidations, and incorporations involving solely nonlisted stock.

(4) Quitclaim deeds not serving as a source of title.

**(5) Public utility or governmental easements or right-of-way.**

SECTION 29. IC 6-1.1-5.5-4.7, AS AMENDED BY P.L.228-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.7. (a) The assessment training and administration fund is established for the purpose of receiving fees deposited under section 4 of this chapter. Money in the fund may be used by:

(1) the department of local government finance:

**(A)** to cover expenses incurred in the development and administration of programs for the training of assessment officials and employees of the department, including the examination and certification program required by IC 6-1.1-35.5; **and**

**(B) for data base management expenses; or**

(2) the Indiana board to:

**(A)** conduct appeal activities; or

**(B)** pay for appeal services.

(b) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 30. IC 6-1.1-5.5-5, AS AMENDED BY P.L.144-2008, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 5. (a) The department of local government finance shall prescribe a sales disclosure form for use under this chapter. The form prescribed by the department of local government finance must include at least the following information:

(1) The key number (as defined in IC 6-1.1-8.5) of each parcel.

(2) With respect to each parcel, whether the entire parcel is being conveyed.

(3) The address of each improved parcel.

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- (4) The date of the execution of the form.
  - (5) The date the property was transferred.
  - (6) Whether the transfer includes an interest in land or improvements, or both.
  - (7) Whether the transfer includes personal property.
  - (8) An estimate of the value of any personal property included in the transfer.
  - (9) The name, address, and telephone number of:
    - (A) each transferor and transferee; and
    - (B) the person that prepared the form.
  - (10) The mailing address to which the property tax bills or other official correspondence should be sent.
  - (11) The ownership interest transferred.
  - (12) The classification of the property (as residential, commercial, industrial, agricultural, vacant land, or other).
  - (13) Subject to subsection (c), the total price actually paid or required to be paid in exchange for the conveyance, whether in terms of money, property, a service, an agreement, or other consideration, but excluding tax payments and payments for legal and other services that are incidental to the conveyance.
  - (14) The terms of seller provided financing, such as interest rate, points, type of loan, amount of loan, and amortization period, and whether the borrower is personally liable for repayment of the loan.
  - (15) Any family or business relationship existing between the transferor and the transferee.
  - (16) A legal description of each parcel subject to the conveyance.
  - (17) Whether the transferee is using the form to claim ~~the following one (1) or more deductions under IC 6-1.1-12-44~~ for property taxes first due and payable in a calendar year after 2008.
    - (A) ~~One (1) or more deductions under IC 6-1.1-12-44.~~
    - (B) ~~The homestead credit under IC 6-1.1-20.9-3.5.~~
  - (18) If the transferee uses the form to claim the ~~homestead credit~~ **standard deduction** under ~~IC 6-1.1-20.9-3.5~~, **IC 6-1.1-12-37**, the name of any other county and township in which the transferee of residential real property owns or is buying residential real property.
  - (19) Other information as required by the department of local government finance to carry out this chapter.
- If a form under this section includes the telephone number or the Social Security number of a party, the telephone number or the Social Security number is confidential.

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(b) The instructions for completing the form described in subsection (a) must include the information described in IC 6-1.1-12-43(c)(1).

(c) If the conveyance includes more than one (1) parcel as described in section 3(h) of this chapter, the form:

- (1) is not required to include the price referred to in subsection (a)(13) for each of the parcels subject to the conveyance; and
- (2) may state a single combined price for all of those parcels.

SECTION 31. IC 6-1.1-7-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 15. (a) This section applies to a mobile home or manufactured home:**

- (1) that has deteriorated to a degree that it can no longer provide suitable protection from the elements as to be used as a primary place of residence;**
- (2) that has little or no value as a structure to be rehabilitated for use as a primary place of residence;**
- (3) on which personal property tax liability has been imposed in an amount that exceeds the estimated resale value of the mobile home or manufactured home; and**
- (4) that has been abandoned in a mobile home community licensed under IC 16-41-27.**

**(b) The holder of the title of a mobile home or manufactured home described in subsection (a) may submit a written request to the county assessor for the county where the mobile home or manufactured home is located requesting that personal property tax liability imposed on the mobile home or manufactured home be waived. If the county assessor determines that the property that is the subject of the request meets the requirements in subsection (a), the county assessor shall send to the applicant a letter that waives the property taxes, special assessments, interest, penalties, and costs assessed against the property under this article, subject to compliance with subsection (c). The county assessor shall deliver a copy of the letter to the county auditor and the county treasurer.**

**(c) Upon receipt of a letter waiving property taxes imposed on a mobile home or manufactured home, the holder of the title of the property that is the subject of a letter issued under subsection (b) shall:**

- (1) deliver a signed statement to the county assessor stating that the mobile home or manufactured home:**
  - (A) will be dismantled or destroyed either at its present site or at a remote site; and**
  - (B) will not be used again as a dwelling or other shelter;**

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1           **and**

2           **(2) dismantle or destroy the mobile home or manufactured**  
 3           **home and not use the mobile home or manufactured home as**  
 4           **a structure after the issuance date of the letter waiving**  
 5           **property taxes.**

6           **(d) The county auditor shall remove from the tax duplicate the**  
 7           **property taxes, special assessments, interest, penalties, and costs**  
 8           **for which a waiver is granted under this section.**

9           SECTION 32. IC 6-1.1-8-7 IS AMENDED TO READ AS  
 10          FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.  
 11          7. (a) The fixed property of a bus company consists of ~~real property and~~  
 12          ~~tangible personal property which is located within or on the real~~  
 13          ~~property.~~

14          (b) A bus company's property which is not described in subsection  
 15          (a) is indefinite-situs distributable property. This property includes, but  
 16          is not limited to, buses and other mobile equipment. The department of  
 17          local government finance shall apportion and distribute the assessed  
 18          valuation of this property among the taxing districts in or through  
 19          which the company operates its system. The amount which the  
 20          department of local government finance shall distribute to a taxing  
 21          district equals the product of (1) the total assessed valuation of the bus  
 22          company's indefinite-situs distributable property, multiplied by (2) a  
 23          fraction, the numerator of which is the company's average daily  
 24          regularly scheduled passenger vehicle route miles in the taxing district,  
 25          and the denominator of which is the company's average daily regularly  
 26          scheduled passenger vehicle route miles in this state.

27          SECTION 33. IC 6-1.1-8-8 IS AMENDED TO READ AS  
 28          FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.  
 29          8. (a) The fixed property of an express company consists of real  
 30          property. ~~and tangible personal property which has a definite situs.~~ The  
 31          remainder of the express company's property is indefinite-situs  
 32          distributable property.

33          (b) The department of local government finance shall apportion and  
 34          distribute the assessed valuation of an express company's  
 35          indefinite-situs distributable property among the taxing districts in  
 36          which the fixed property of the company is located. The amount which  
 37          the department of local government finance shall distribute to a taxing  
 38          district equals the product of (1) the total assessed valuation of the  
 39          express company's indefinite-situs distributable property, multiplied by  
 40          (2) a fraction, the numerator of which is the value of the company's  
 41          fixed property which is located in the taxing district, and the  
 42          denominator of which is the value of the company's fixed property

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which is located in this state.

SECTION 34. IC 6-1.1-8-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

9. (a) The fixed property of a light, heat, or power company consists of

(1) ~~automotive and other mobile equipment;~~

(2) ~~office furniture and fixtures;~~

(3) ~~other tangible personal property which is not used as part of the company's production plant, transmission system, or distribution system; and~~

(4) ~~real property which is not part of the company's right-of-ways, transmission system, or distribution system.~~

(b) A light, heat, or power company's property which is not described as fixed property in subsection (a) of this section is definite-situs distributable property. This property includes, but is not limited to, turbo-generators, boilers, transformers, transmission lines, distribution lines, and pipe lines.

SECTION 35. IC 6-1.1-8-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

10. (a) The fixed property of a pipe line company consists of

(1) ~~real property which is not part of a pipe line or right-of-way of the company. and~~

(2) ~~tangible personal property which is not part of the company's distribution system.~~

(b) A pipe line company's property which is not described in subsection (a) is indefinite-situs distributable property. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in which the company's pipe lines are located. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the pipe line company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the length of the company's pipe lines in the taxing district, and the denominator of which is the length of the company's pipe lines in this state.

SECTION 36. IC 6-1.1-8-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

11. (a) The fixed property of the railroad company consists of real property which is not required for the operation of the railroad. ~~and tangible personal property which is located within or on that real property.~~ The remaining property of the railroad company is distributable property.

(b) A railroad company's definite-situs distributable property

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consists of the company's:

- (1) rights-of-way and road beds;
- (2) station and depot grounds;
- (3) yards, yard sites, superstructures, turntable, and turnouts;
- (4) tracks;
- (5) telegraph poles, wires, instruments, and other appliances, which are located on the right-of-ways; and
- (6) any other buildings or fixed situs personal property used in the operation of the railroad.

(c) A railroad company's property which is not described in subsection (a) or (b) is indefinite-situs distributable property. This property includes, but is not limited to, rolling stock. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in which the railroad company operates its system. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the railroad company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the relative value of the company's main lines, branch lines, main tracks, second main tracks, and sidetracks, including all leased lines and tracks, which are located in the taxing district, and the denominator of which is the relative value of the company's main lines, branch lines, main tracks, second main tracks, and sidetracks, including all leased lines and tracks, which are located in this state.

SECTION 37. IC 6-1.1-8-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 12. (a) The fixed property of a railroad car company consists of real property. ~~and tangible personal property which has a definite situs.~~ The remainder of the railroad car company's property is indefinite-situs distributable property.

(b) The department of local government finance shall assess a railroad car company's indefinite-situs distributable property on the basis of the average number of cars owned or used by the company within this state during the twelve (12) months of the calendar year preceding the year of assessment. The average number of cars within this state equals the product of:

- (1) the sum of "M" plus "E"; multiplied by
- (2) a fraction, the numerator of which is "N", and the denominator of which is the number two (2).

"M" equals the mileage traveled by the railroad car company's cars in this state divided by the mileage traveled by the company's cars both

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1 within and outside this state. "E" equals the earnings generated by the  
 2 company's cars in this state divided by the earnings generated by the  
 3 company's cars both within and outside this state. "N" equals the total  
 4 number of cars owned or used by the company both within and outside  
 5 this state.

6 SECTION 38. IC 6-1.1-8-13 IS AMENDED TO READ AS  
 7 FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.  
 8 13. (a) The fixed property of a sleeping car company consists of real  
 9 property. ~~and tangible personal property which has a definite situs.~~

10 (b) A sleeping car company's property which is not described in  
 11 subsection (a) is indefinite-situs distributable property. The department  
 12 of local government finance shall apportion and distribute the assessed  
 13 valuation of this property among the taxing districts in or through  
 14 which the company operates cars. The department of local government  
 15 finance shall make the apportionment in a manner which it considers  
 16 fair.

17 SECTION 39. IC 6-1.1-8-14 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.  
 19 14. (a) The fixed property of a street railway company consists of

- 20 (1) real property which is not part of the company's tracks or  
 21 rights-of-way. ~~and~~  
 22 (2) ~~tangible personal property which is located within or on the~~  
 23 ~~real property described in subdivision (1).~~

24 (b) A street railway company's property which is not described in  
 25 subsection (a) is distributable property. This property includes, but is  
 26 not limited to:

- 27 (1) rights-of-way of the company;  
 28 (2) tangible personal property which is located on a right-of-way  
 29 of the company; and  
 30 (3) rolling stock.

31 (c) The department of local government finance shall apportion and  
 32 distribute the assessed valuation of a street railway company's  
 33 indefinite-situs distributable property among the taxing districts in or  
 34 through which the company operates its system. The amount which the  
 35 department of local government finance shall distribute to a taxing  
 36 district equals the product of (1) the total assessed valuation of the  
 37 street railway company's indefinite-situs distributable property,  
 38 multiplied by (2) a fraction, the numerator of which is the company's  
 39 average daily regularly scheduled passenger vehicle route miles in the  
 40 taxing district, and the denominator of which is the company's average  
 41 daily regularly scheduled passenger vehicle route miles in this state.

42 SECTION 40. IC 6-1.1-8-15 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

15. (a) The fixed property of a telephone, telegraph, or cable company consists of

(1) ~~tangible personal property which is not used as part of the distribution system of the company; and~~

(2) real property which is not part of the company's rights-of-way or distribution system.

(b) A telephone, telegraph, or cable company's property which is not described under subsection (a) is indefinite-situs distributable property. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in which the company's lines or cables, including laterals, are located. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the telephone, telegraph, or cable company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the length of the company's lines and cables, including laterals, which are located in the taxing district, and the denominator of which is the length of the company's lines and cables, including laterals, which are located in this state.

SECTION 41. IC 6-1.1-8-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec.

17. (a) The fixed property of a water distribution company consists of

(1) ~~tangible personal property which is not used as part of the company's distribution system; and~~

(2) real property which is not part of the company's rights-of-way or distribution system.

A well, settling basin, or reservoir (except an impounding reservoir) is not fixed property of a water distribution company if it is used to store treated water or water in the process of treatment.

(b) A water distribution company's property which is not described as fixed property under subsection (a) is indefinite-situs distributable property. The department of local government finance shall apportion and distribute the assessed valuation of this property among the taxing districts in which the company's water mains, including feeder and distribution mains, are located. The amount which the department of local government finance shall distribute to a taxing district equals the product of (1) the total assessed valuation of the water distribution company's indefinite-situs distributable property, multiplied by (2) a fraction, the numerator of which is the length of the company's water mains, including feeder and distribution mains, which are located in the taxing district, and the denominator of which is the length of the

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company's water mains, including feeder and distribution mains, which are located in this state.

SECTION 42. IC 6-1.1-8-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 18. For a public utility company which is not within one (1) of the classes of companies whose property is described in sections 6 through 17 of this chapter, the fixed property of the company consists of real property. ~~and tangible personal property.~~ The remainder of the company's property is indefinite-situs distributable property. The department of local government finance shall, in a manner which it considers fair, apportion and distribute the assessed valuation of the company's indefinite-situs distributable property among the taxing districts in which the company operates its system.

SECTION 43. IC 6-1.1-8.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. ~~Before:~~

~~(1) January 1, 2004; and~~

~~(2) January 1 of each year that a general reassessment commences under IC 6-1.1-4-4;~~

The county assessor of each qualifying county shall provide the department of local government finance a list of each industrial facility located in the qualifying county.

SECTION 44. IC 6-1.1-8.5-8, AS AMENDED BY P.L.154-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 8. (a) For purposes of the ~~general~~ reassessment under IC 6-1.1-4-4 **of a group of parcels under a county's reassessment plan** or **for purposes of** a new assessment, the department of local government finance shall assess each industrial facility in a qualifying county.

(b) The following may not assess an industrial facility in a qualifying county:

(1) A county assessor.

(2) An assessing official.

(3) A county property tax assessment board of appeals.

SECTION 45. IC 6-1.1-8.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. (a) A taxpayer ~~or the county assessor~~ of the qualifying county in which the industrial facility is located may appeal an assessment by the department of local government finance made under this chapter to the Indiana board. An appeal under this section shall be conducted in the same manner as an appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8. An assessment made under this chapter that is not appealed under this section is a final unappealable order of the department of local government finance.

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(b) The Indiana board shall hold a hearing on the appeal and issue an order within one (1) year after the date the appeal is filed.

SECTION 46. IC 6-1.1-8.7-3, AS AMENDED BY P.L.219-2007, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. ~~(a) Before January 1, 2003, Two hundred fifty (250) or more owners of real property in a township may petition the department to assess the real property of an industrial facility in the township for the 2004 assessment date.~~

~~(b) Before January 1 of each year that a general reassessment commences under IC 6-1.1-4-4, (a) Two hundred fifty (250) or more owners of real property in a township may petition the department to assess the real property of an industrial facility in the township for that general reassessment.~~

~~(c) (b)~~ An industrial company may at any time petition the department to assess the real property of an industrial facility owned or used by the company.

~~(d) (c)~~ Before January 1 of any year, the county assessor of the county in which an industrial facility is located may petition the department to assess the real property of the industrial facility for the assessment date in ~~that~~ **the following** year.

SECTION 47. IC 6-1.1-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The exemption application referred to in section 3 of this chapter is not required if the exempt property is owned by the United States, the state, an agency of this state, or a political subdivision (as defined in IC 36-1-2-13). However, this subsection applies only when the property is used, and in the case of real property occupied, by the owner.

(b) The exemption application referred to in section 3 of this chapter is not required if the exempt property is a cemetery:

(1) described by IC 6-1.1-2-7; or

(2) maintained by a township executive under IC 23-14-68.

(c) The exemption application referred to in section 3 of this chapter is not required if the exempt property is owned by the bureau of motor vehicles commission established under IC 9-15-1.

(d) The exemption application referred to in section 3 **or 3.5** of this chapter is not required if:

(1) the exempt property is:

(A) tangible property used for religious purposes described in IC 6-1.1-10-21; ~~or~~

(B) tangible property owned by a church or religious society used for educational purposes described in IC 6-1.1-10-16; ~~and~~

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(C) other tangible property owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes described in IC 6-1.1-10-16;

(2) the exemption application referred to in section 3 or 3.5 of this chapter was filed properly at least once after the property was designated for a religious use as described in under IC 6-1.1-10-21 or an educational, literary, scientific, religious, or charitable use as described in under IC 6-1.1-10-16; and

(3) the property continues to meet the requirements for an exemption under IC 6-1.1-10-21 or IC 6-1.1-10-16.

A change in ownership of property does not terminate an exemption of the property if after the change in ownership the property continues to meet the requirements for an exemption under IC 6-1.1-10-21 or IC 6-1.1-10-16. However, if title to any of the real property subject to the exemption changes or any of the tangible property subject to the exemption is used for a nonexempt purpose after the date of the last properly filed exemption application, this subsection does not apply. the person that obtained the exemption or the current owner of the property shall notify the county assessor for the county where the tangible property is located of the change in the year that the change occurs. The notice must be in the form prescribed by the department of local government finance. If the county assessor discovers that title to property granted an exemption described in IC 6-1.1-10-16 or IC 6-1.1-10-21 has changed, the county assessor shall notify the persons entitled to a tax statement under IC 6-1.1-22-8.1 for the property of the change in title and indicate that the county auditor will suspend the exemption for the property until the persons provides the county assessor with an affidavit, signed under penalties of perjury, that identifies the new owners of the property and indicates that the property continues to meet the requirements for an exemption under IC 6-1.1-10-21 or IC 6-1.1-10-16. Upon receipt of the affidavit, the county assessor shall reinstate the exemption for the years for which the exemption was suspended and each year thereafter that the property continues to meet the requirements for an exemption under IC 6-1.1-10-21 or IC 6-1.1-10-16.

SECTION 48. IC 6-1.1-12-9, AS AMENDED BY P.L.144-2008, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) An individual may obtain a deduction from the assessed value of the individual's real property; or mobile home or manufactured home which is not assessed as real property; homestead

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if:

(1) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year **immediately** preceding the year in which the ~~deduction is claimed~~; **property taxes are first due and payable**;

(2) the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

(A) the individual and the individual's spouse; or

(B) the individual and all other individuals with whom:

(i) the individual shares ownership; or

(ii) the individual is purchasing the property under a contract;

as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed did not exceed twenty-five thousand dollars (\$25,000);

(3) the individual has owned the ~~real property, mobile home, or manufactured home~~ **homestead** for at least one (1) year before claiming the deduction; or the individual has been buying the ~~real property, mobile home, or manufactured home~~ **homestead** under a contract that provides that the individual is to pay the property taxes on the ~~real property, mobile home, or manufactured home~~ **homestead** for at least one (1) year before claiming the deduction, and the contract or a memorandum of the contract is recorded in the county recorder's office;

(4) the individual and any individuals covered by subdivision (2)(B) reside on the ~~real property, mobile home, or manufactured home~~ **homestead**;

(5) the assessed value of the ~~real property, mobile home, or manufactured home~~ **homestead** does not exceed one hundred eighty-two thousand four hundred thirty dollars (\$182,430);

(6) the individual receives no other property tax deduction for the year in which the deduction is claimed, except the deductions provided by sections 1, 37, and 38 of this chapter; and

(7) the person:

(~~1~~) (A) owns the ~~real property, mobile home, or manufactured home~~ **homestead**; or

(~~2~~) (B) is buying the ~~real property, mobile home, or manufactured home~~ **homestead** under contract;

on the date the statement required by section 10.1 of this chapter is filed.

**Subdivision (6) does not limit any credits that the person is otherwise eligible to receive under IC 6-1.1-20.6 or another law.**

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(b) Except as provided in subsection (h), in the case of real property, an individual's deduction under this section equals the lesser of:

- (1) one-half (1/2) of the assessed value of the real property; or
- (2) twelve thousand four hundred eighty dollars (\$12,480).

(c) Except as provided in subsection (h) and section 40.5 of this chapter, in the case of a mobile home that is not assessed as real property or a manufactured home which is not assessed as real property, an individual's deduction under this section equals the lesser of:

- (1) one-half (1/2) of the assessed value of the mobile home or manufactured home; or
- (2) twelve thousand four hundred eighty dollars (\$12,480).

(d) An individual may not be denied the deduction provided under this section because the individual is absent from the ~~real property, mobile home, or manufactured home~~ **homestead** while in a nursing home or hospital.

(e) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by:

- (1) tenants by the entirety;
- (2) joint tenants; or
- (3) tenants in common;

only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

- (1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;
- (2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;
- (3) the surviving spouse has not remarried; and
- (4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(7).

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the

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number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

SECTION 49. IC 6-1.1-12-17.8, AS AMENDED BY P.L.144-2008, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 17.8. (a) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, ~~or~~ 17.4, **or 37** of this chapter in a particular year and who remains eligible for the deduction in the following year is not required to file a statement to apply for the deduction in the following year.

(b) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, ~~or~~ 17.4, **or 37** of this chapter in a particular year and who becomes ineligible for the deduction in the following year shall notify the auditor of the county in which the real property, mobile home, or manufactured home for which the individual claims the deduction is located of the individual's ineligibility in the year in which the individual becomes ineligible.

(c) The auditor of each county shall, in a particular year, apply a deduction provided under section 1, 9, 11, 13, 14, 16, ~~or~~ 17.4, **or 37** of this chapter to each individual who received the deduction in the preceding year unless the auditor determines that the individual is no longer eligible for the deduction.

(d) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, ~~or~~ 17.4, **or 37** of this chapter for property that is jointly held with another owner in a particular year and remains eligible for the deduction in the following year is not required to file a statement to reapply for the deduction following the removal of the joint owner if:

- (1) the individual is the sole owner of the property following the death of the individual's spouse;
- (2) the individual is the sole owner of the property following the death of a joint owner who was not the individual's spouse; or
- (3) the individual is awarded sole ownership of the property in a divorce decree.

(e) A trust entitled to a deduction under section 9, 11, 13, 14, 16, ~~or~~ 17.4, **or 37** of this chapter for real property owned by the trust and occupied by an individual in accordance with section 17.9 of this chapter is not required to file a statement to apply for the deduction, if:

- (1) the individual who occupies the real property receives a deduction provided under section 9, 11, 13, 14, 16, ~~or~~ 17.4, **or 37** of this chapter in a particular year; and
- (2) the trust remains eligible for the deduction in the following year.

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(f) A cooperative housing corporation (as defined in 26 U.S.C. 216) that was entitled to a deduction under section 37 of this chapter in the immediately preceding calendar year for a homestead (as defined in section 37 of this chapter) is not required to file a statement to apply for the deduction for the current calendar year if the cooperative housing corporation remains eligible for the deduction for the current calendar year.

(g) An individual or entity that:

(1) was eligible for a homestead credit under IC 6-1.1-20.9 (repealed) for property taxes imposed for the March 1, 2007, or January 15, 2008, assessment date; or

(2) would have been eligible for a homestead credit under IC 6-1.1-20.9 (repealed) for property taxes imposed for the March 1, 2008, or January 15, 2009, assessment date if IC 6-1.1-20.9 had not been repealed;

is not required to file a statement to apply for a deduction under section 37 of this chapter if the individual or entity remains eligible for the deduction in the current year. An individual or entity that filed for a homestead credit under IC 6-1.1-20.9 (repealed) for an assessment date after March 1, 2007 (if the property is real property) or after January 1, 2008 (if the property is personal property) shall be treated as an individual or entity that has filed for a deduction under section 37 of this chapter.

SECTION 50. IC 6-1.1-12-17.9, AS AMENDED BY P.L.101-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 17.9. A trust is entitled to a deduction under section 9, 11, 13, 14, 16, ~~or~~ 17.4, **or 37** of this chapter for real property owned by the trust and occupied by an individual if the county auditor determines that the individual:

(1) upon verification in the body of the deed or otherwise, has either:

(A) a beneficial interest in the trust; or

(B) the right to occupy the real property rent free under the terms of a qualified personal residence trust created by the individual under United States Treasury Regulation 25.2702-5(c)(2);

(2) otherwise qualifies for the deduction; and

(3) would be considered the owner of the real property under IC 6-1.1-1-9(f) or IC 6-1.1-1-9(g).

SECTION 51. IC 6-1.1-12-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 19. The deduction from assessed value provided by section 18 of this chapter is first

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1 available in the year in which the increase in assessed value resulting  
 2 from the rehabilitation occurs and shall continue for the following four  
 3 (4) years. In the sixth (6th) year, the county auditor shall add the  
 4 amount of the deduction to the assessed value of the real property. A  
 5 ~~general~~ reassessment of real property **under a county's reassessment**  
 6 **plan**, which occurs within the five (5) year period of the deduction,  
 7 does not affect the amount of the deduction.

8 SECTION 52. IC 6-1.1-12-23 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 23. The deduction  
 10 from assessed value provided by section 22 of this chapter is first  
 11 available after the first assessment date following the rehabilitation and  
 12 shall continue for the taxes first due and payable in the following five  
 13 (5) years. In the sixth (6th) year, the county auditor shall add the  
 14 amount of the deduction to the assessed value of the property. Any  
 15 ~~general~~ reassessment of real property **under a county's reassessment**  
 16 **plan**, which occurs within the five (5) year period of the deduction,  
 17 does not affect the amount of the deduction.

18 SECTION 53. IC 6-1.1-12-37, AS AMENDED BY HEA  
 19 1198-2009, SECTION 38, IS AMENDED TO READ AS FOLLOWS  
 20 [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 37. (a) The  
 21 following definitions apply throughout this section:

22 (1) "Dwelling" means any of the following:

23 (A) Residential real property improvements that an individual  
 24 uses as the individual's residence, including a house or garage.

25 (B) A mobile home that is not assessed as real property that an  
 26 individual uses as the individual's residence.

27 (C) A manufactured home that is not assessed as real property  
 28 that an individual uses as the individual's residence.

29 (2) "Homestead" means an individual's principal place of  
 30 residence: ~~that:~~

31 (A) ~~that~~ is located in Indiana;

32 (B) ~~the individual; that:~~

33 (i) **the individual** owns;

34 (ii) **the individual** is buying under a contract, recorded in  
 35 the county recorder's office, that provides that the individual  
 36 is to pay the property taxes on the residence; ~~or~~

37 (iii) **the individual** is entitled to occupy as a  
 38 tenant-stockholder (as defined in 26 U.S.C. 216) of a  
 39 cooperative housing corporation (as defined in 26 U.S.C.  
 40 216); **or**

41 (iv) **is a residence described in section 17.9 of this**  
 42 **chapter that is owned by a trust in which the individual**

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1           **has a beneficial interest; and**

2           (C) **that** consists of a dwelling and the real estate, not  
3           exceeding one (1) acre, that immediately surrounds that  
4           dwelling.

5           (b) Each year an individual who on March 1 of a particular year or,  
6           in the case of a mobile home that is assessed as personal property, the  
7           immediately following January 15, either owns or is buying a  
8           homestead under a contract, recorded in the county recorder's office,  
9           that provides the individual is to pay property taxes on the **individual**  
10          **or entity obligated to pay property taxes on a homestead for a**  
11          **particular assessment date** is entitled to a standard deduction from  
12          the assessed value of the homestead **for that assessment date. The**  
13          **deduction provided by this section applies only if the individual has**  
14          **an interest in the homestead described in subsection (a)(2)(B) on:**

- 15           (1) the assessment date, if section 17.8 of this chapter applies;  
16           or  
17           (2) the date that a statement is filed under subsection (e) or  
18           section 44 of this chapter, if section 17.8 of this chapter does  
19           not apply.

20          **Subject to subsection (c),** the auditor of the county shall record and  
21          make the deduction for the **person individual or entity** qualifying for  
22          the deduction.

23          (c) ~~Except as provided in section 40.5 of this chapter,~~ The total  
24          amount of the deduction that a person may receive under this section  
25          for a particular year is the lesser of:

- 26           (1) sixty percent (60%) of the assessed value of the ~~real property;~~  
27           ~~mobile home not assessed as real property, or manufactured home~~  
28           ~~not assessed as real property that constitutes the homestead; or~~  
29           (2) forty-five thousand dollars (\$45,000).

30          **If the homestead consists of a mobile home or manufactured home**  
31          **that is assessed as personal property, the deduction under this**  
32          **section shall be applied to the mobile home or manufactured home**  
33          **after applying other deductions to which the mobile home or**  
34          **manufactured home is eligible under this chapter until the**  
35          **maximum permissible deduction permitted under section 40.5 of**  
36          **this chapter is reached. If the homestead also includes real estate**  
37          **surrounding the mobile home or manufactured home, the excess**  
38          **amount of the deduction under this chapter that is not applied to**  
39          **the mobile home or manufactured home shall be applied to the real**  
40          **property until the maximum permissible deduction permitted**  
41          **under this section is reached.**

42          (d) A person who has sold real property, a mobile home not assessed

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as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

(e) Except as provided in sections 17.8 and 44 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by this section must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement must include the parcel number or key number of the property and the name of the city, town, or township in which the property is located. The statement may be filed in person or by mail. If the statement is mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the deduction is allowed. An individual who wishes to claim the deduction must list on the statement the name of any other county and township in which the individual owns or is buying residential real property. With respect to real property, the person must file the statement during the year for which the person desires to obtain the deduction. With respect to a mobile home that is not assessed as real property, the person must file the statement during the twelve (12) months before March 31 of the year for which the person desires to obtain the deduction. If an individual who is receiving the deduction provided by this chapter changes the use of the individual's property so that part or all of the property no longer qualifies for the deduction under this section, the individual shall file a certified statement with the auditor of the county, notifying the auditor of the change of use, not more than sixty (60) days after the date of that change. An individual who changes the use of the individual's property and fails to file the statement required by this subsection is liable for any additional taxes that would have been due on the property if the individual had filed the statement as required by this subsection. The department of local government finance shall adopt rules or guidelines concerning the application for a deduction under this section, including any application procedures necessary to prevent an individual from simultaneously claiming more than one (1) deduction under this section.

(f) The county auditor may not grant an individual or a married

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couple a deduction under this section if:

(1) the individual or married couple, for the same year, claims the deduction on two (2) or more different applications for the deduction; and

(2) the applications claim the deduction for different property.

SECTION 54. IC 6-1.1-12-43, AS AMENDED BY P.L.145-2008, SECTION 9, AND AS AMENDED BY P.L.146-2008, SECTION 120, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 43. (a) For purposes of this section:

(1) "benefit" refers to

~~(A) a deduction under section 1, 9, 11, 13, 14, 16, 17.4, 26, 29, 31, 33, or 34, 37, or 37.5 of this chapter; or~~

~~(B) the homestead credit under IC 6-1.1-20.9-2;~~

(2) "closing agent" means a person that closes a transaction;

(3) "customer" means an individual who obtains a loan in a transaction; and

(4) "transaction" means a single family residential:

(A) first lien purchase money mortgage transaction; or

(B) refinancing transaction.

(b) Before closing a transaction after December 31, 2004, a closing agent must provide to the customer the form referred to in subsection (c).

(c) Before June 1, 2004, the department of local government finance shall prescribe the form to be provided by closing agents to customers under subsection (b). The department shall make the form available to closing agents, county assessors, county auditors, and county treasurers in hard copy and electronic form. County assessors, county auditors, and county treasurers shall make the form available to the general public. The form must:

(1) on one (1) side:

(A) list each benefit;

(B) list the eligibility criteria for each benefit; and

(C) indicate that a new application for a deduction under section 1 of this chapter is required when residential real property is refinanced;

(2) on the other side indicate:

(A) each action by; and

(B) each type of documentation from;

the customer required to file for each benefit; and

(3) be printed in one (1) of two (2) or more colors prescribed by the department of local government finance that distinguish the

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form from other documents typically used in a closing referred to in subsection (b).

(d) A closing agent:

- (1) may reproduce the form referred to in subsection (c);
- (2) in reproducing the form, must use a print color prescribed by the department of local government finance; and
- (3) is not responsible for the content of the form referred to in subsection (c) and shall be held harmless by the department of local government finance from any liability for the content of the form.

(e) *This subsection applies to a transaction that is closed after December 31, 2009. In addition to providing the customer the form described in subsection (c) before closing the transaction, a closing agent shall do the following as soon as possible after the closing, and within the time prescribed by the department of insurance under IC 27-7-3-15.5:*

*(1) To the extent determinable, input the information described in IC 27-7-3-15.5(c)(2) into the system maintained by the department of insurance under IC 27-7-3-15.5.*

*(2) Submit the form described in IC 27-7-3-15.5(c) to the data base described in IC 27-7-3-15.5(c)(2)(D).*

~~(e)~~ (f) A closing agent to which this section applies shall document ~~its~~ the closing agent's compliance with this section with respect to each transaction in the form of verification of compliance signed by the customer.

~~(f)~~ (g) Subject to IC 27-7-3-15.5(d), a closing agent is subject to a civil penalty of twenty-five dollars (\$25) for each instance in which the closing agent fails to comply with this section with respect to a customer. The penalty:

(1) may be enforced by the state agency that has administrative jurisdiction over the closing agent in the same manner that the agency enforces the payment of fees or other penalties payable to the agency; and

(2) shall be paid into:

(A) the ~~property tax replacement~~ state general fund, if the closing agent fails to comply with subsection (b); or

(B) the home ownership education account established by IC 5-20-1-27, if the closing agent fails to comply with subsection (e) in a transaction that is closed after December 31, 2009.

(h) A closing agent is not liable for any other damages claimed by a customer because of:

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(1) the closing agent's mere failure to provide the appropriate document to the customer *under subsection (b); or*  
 (2) *with respect to a transaction that is closed after December 31, 2009, the closing agent's failure to input the information or submit the form described in subsection (e).*

~~(g)~~ (i) The state agency that has administrative jurisdiction over a closing agent shall:

(1) examine the closing agent to determine compliance with this section; and

(2) impose and collect penalties under subsection ~~(f)~~ (g).

SECTION 55. IC 6-1.1-12-44, AS AMENDED BY HEA 1198-2009, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 44. (a) A sales disclosure form under IC 6-1.1-5.5:

(1) that is submitted:

(A) as a paper form; or

(B) electronically;

on or before December 31 of a calendar year to the county assessor by or on behalf of the purchaser of a homestead (as defined in section 37 of this chapter) assessed as real property;

(2) that is accurate and complete;

(3) that is approved by the county assessor as eligible for filing with the county auditor; and

(4) that is filed:

(A) as a paper form; or

(B) electronically;

with the county auditor by or on behalf of the purchaser; constitutes an application for the deductions provided by sections 26, 29, 33, ~~and 34~~, **and 37** of this chapter with respect to property taxes first due and payable in the calendar year that immediately succeeds the calendar year referred to in subdivision (1).

(b) Except as provided in subsection (c), if:

(1) the county auditor receives in a calendar year a sales disclosure form that meets the requirements of subsection (a); and

(2) the homestead for which the sales disclosure form is submitted is otherwise eligible for a deduction referred to in subsection (a);

the county auditor shall apply the deduction to the homestead for property taxes first due and payable in the calendar year for which the homestead qualifies under subsection (a) and in any later year in which the homestead remains eligible for the deduction.

(c) Subsection (b) does not apply if the county auditor, after receiving a sales disclosure form from or on behalf of a purchaser

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under subsection (a)(4), determines that the homestead is ineligible for the deduction.

SECTION 56. IC 6-1.1-12.1-4, AS AMENDED BY P.L.219-2007, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4. (a) Except as provided in section 2(i)(4) of this chapter, and subject to section 15 of this chapter, the amount of the deduction which the property owner is entitled to receive under section 3 of this chapter for a particular year equals the product of:

(1) the increase in the assessed value resulting from the rehabilitation or redevelopment; multiplied by

(2) the percentage prescribed in the table set forth in subsection (d).

(b) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a ~~general~~ reassessment of real property **under a county's reassessment plan** occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the ~~general~~ reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection.

(c) Property owners who had an area designated an urban development area pursuant to an application filed prior to January 1, 1979, are only entitled to the deduction for the first through the fifth years as provided in subsection (d)(10). In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for the first through the tenth years, as provided in subsection (d)(10).

(d) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

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1	2nd	50%
2	(3) For deductions allowed over a three (3) year period:	
3	YEAR OF DEDUCTION	PERCENTAGE
4	1st	100%
5	2nd	66%
6	3rd	33%
7	(4) For deductions allowed over a four (4) year period:	
8	YEAR OF DEDUCTION	PERCENTAGE
9	1st	100%
10	2nd	75%
11	3rd	50%
12	4th	25%
13	(5) For deductions allowed over a five (5) year period:	
14	YEAR OF DEDUCTION	PERCENTAGE
15	1st	100%
16	2nd	80%
17	3rd	60%
18	4th	40%
19	5th	20%
20	(6) For deductions allowed over a six (6) year period:	
21	YEAR OF DEDUCTION	PERCENTAGE
22	1st	100%
23	2nd	85%
24	3rd	66%
25	4th	50%
26	5th	34%
27	6th	17%
28	(7) For deductions allowed over a seven (7) year period:	
29	YEAR OF DEDUCTION	PERCENTAGE
30	1st	100%
31	2nd	85%
32	3rd	71%
33	4th	57%
34	5th	43%
35	6th	29%
36	7th	14%
37	(8) For deductions allowed over an eight (8) year period:	
38	YEAR OF DEDUCTION	PERCENTAGE
39	1st	100%
40	2nd	88%
41	3rd	75%
42	4th	63%

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1	5th	50%
2	6th	38%
3	7th	25%
4	8th	13%
5	(9) For deductions allowed over a nine (9) year period:	
6	YEAR OF DEDUCTION	PERCENTAGE
7	1st	100%
8	2nd	88%
9	3rd	77%
10	4th	66%
11	5th	55%
12	6th	44%
13	7th	33%
14	8th	22%
15	9th	11%
16	(10) For deductions allowed over a ten (10) year period:	
17	YEAR OF DEDUCTION	PERCENTAGE
18	1st	100%
19	2nd	95%
20	3rd	80%
21	4th	65%
22	5th	50%
23	6th	40%
24	7th	30%
25	8th	20%
26	9th	10%
27	10th	5%

SECTION 57. IC 6-1.1-12.1-4.8, AS AMENDED BY P.L.219-2007, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 4.8. (a) A property owner that is an applicant for a deduction under this section must provide a statement of benefits to the designating body.

(b) If the designating body requires information from the property owner for the designating body's use in deciding whether to designate an economic revitalization area, the property owner must provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter. Otherwise, the property owner must submit the completed statement of benefits form to the designating body before the occupation of the eligible vacant building for which the property owner desires to claim a deduction.

(c) The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must

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1 include the following information:

2 (1) A description of the eligible vacant building that the property  
3 owner or a tenant of the property owner will occupy.

4 (2) An estimate of the number of individuals who will be  
5 employed or whose employment will be retained by the property  
6 owner or the tenant as a result of the occupation of the eligible  
7 vacant building, and an estimate of the annual salaries of those  
8 individuals.

9 (3) Information regarding efforts by the owner or a previous  
10 owner to sell, lease, or rent the eligible vacant building during the  
11 period the eligible vacant building was unoccupied.

12 (4) Information regarding the amount for which the eligible  
13 vacant building was offered for sale, lease, or rent by the owner  
14 or a previous owner during the period the eligible vacant building  
15 was unoccupied.

16 (d) With the approval of the designating body, the statement of  
17 benefits may be incorporated in a designation application. A statement  
18 of benefits is a public record that may be inspected and copied under  
19 IC 5-14-3.

20 (e) The designating body must review the statement of benefits  
21 required by subsection (a). The designating body shall determine  
22 whether an area should be designated an economic revitalization area  
23 or whether a deduction should be allowed, after the designating body  
24 has made the following findings:

25 (1) Whether the estimate of the number of individuals who will be  
26 employed or whose employment will be retained can be  
27 reasonably expected to result from the proposed occupation of the  
28 eligible vacant building.

29 (2) Whether the estimate of the annual salaries of those  
30 individuals who will be employed or whose employment will be  
31 retained can be reasonably expected to result from the proposed  
32 occupation of the eligible vacant building.

33 (3) Whether any other benefits about which information was  
34 requested are benefits that can be reasonably expected to result  
35 from the proposed occupation of the eligible vacant building.

36 (4) Whether the occupation of the eligible vacant building will  
37 increase the tax base and assist in the rehabilitation of the  
38 economic revitalization area.

39 (5) Whether the totality of benefits is sufficient to justify the  
40 deduction.

41 A designating body may not designate an area an economic  
42 revitalization area or approve a deduction under this section unless the

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findings required by this subsection are made in the affirmative.

(f) Except as otherwise provided in this section, the owner of an eligible vacant building located in an economic revitalization area is entitled to a deduction from the assessed value of the building if the property owner or a tenant of the property owner occupies the eligible vacant building and uses it for commercial or industrial purposes. The property owner is entitled to the deduction:

(1) for the first year in which the property owner or a tenant of the property owner occupies the eligible vacant building and uses it for commercial or industrial purposes; and

(2) for subsequent years determined under subsection (g).

(g) The designating body shall determine the number of years for which a property owner is entitled to a deduction under this section. However, subject to section 15 of this chapter, the deduction may not be allowed for more than two (2) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by a resolution adopted not more than sixty (60) days after the designating body receives a copy of the property owner's deduction application from the county auditor.

A certified copy of a resolution under subdivision (2) shall be sent to the county auditor, who shall make the deduction as provided in section 5.3 of this chapter. A determination concerning the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by using the procedure under subdivision (2).

(h) Except as provided in section 2(i)(5) of this chapter and subsection (k), and subject to section 15 of this chapter, the amount of the deduction the property owner is entitled to receive under this section for a particular year equals the product of:

(1) the assessed value of the building or part of the building that is occupied by the property owner or a tenant of the property owner; multiplied by

(2) the percentage set forth in the table in subsection (i).

(i) The percentage to be used in calculating the deduction under subsection (h) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

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2nd

50%

(j) The amount of the deduction determined under subsection (h) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a ~~general~~ reassessment of real property **under a county's reassessment plan** occurs within the period of the deduction, the amount of the assessed value determined under subsection (h)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the ~~general~~ reassessment.

(2) If an appeal of an assessment is approved and results in a reduction of the assessed value of the property, the amount of a deduction under this section shall be adjusted to reflect the percentage decrease that resulted from the appeal.

(k) The maximum amount of a deduction under this section may not exceed the lesser of:

(1) the annual amount for which the eligible vacant building was offered for lease or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied; or

(2) an amount, as determined by the designating body in its discretion, that is equal to the annual amount for which similar buildings in the county or contiguous counties were leased or rented or offered for lease or rent during the period the eligible vacant building was unoccupied.

(l) The department of local government finance may adopt rules under IC 4-22-2 to implement this section.

SECTION 58. IC 6-1.1-12.4-2, AS AMENDED BY P.L.146-2008, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 2. (a) For purposes of this section, an increase in the assessed value of real property is determined in the same manner that an increase in the assessed value of real property is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to a development, redevelopment, or rehabilitation that is first assessed after March 1, 2005, and before March 2, 2007. Except as provided in subsection (h) and sections 4, 5, and 8 of this chapter, an owner of real property that:

(1) develops, redevelops, or rehabilitates the real property; and

(2) creates or retains employment from the development, redevelopment, or rehabilitation;

is entitled to a deduction from the assessed value of the real property.

(c) Subject to section 14 of this chapter, the deduction under this section is first available in the year in which the increase in assessed value resulting from the development, redevelopment, or rehabilitation

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occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to real property located in a county for a particular year equals the lesser of:

(1) two million dollars (\$2,000,000); or

(2) the product of:

(A) the increase in assessed value resulting from the development, rehabilitation, or redevelopment; multiplied by

(B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

(d) A property owner that qualifies for the deduction under this section must file a notice to claim the deduction in the manner prescribed by the department of local government finance under rules adopted by the department of local government finance under IC 4-22-2 to implement this chapter. The township assessor, or the county assessor if there is no township assessor for the township, shall:

(1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and

(2) inform the county auditor of the deduction amount.

(e) The county auditor shall:

(1) make the deductions; and

(2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

(f) The amount of the deduction determined under subsection (c)(2) is adjusted to reflect the percentage increase or decrease in assessed valuation that results from:

(1) a ~~general~~ reassessment of real property **under a county's reassessment plan** under IC 6-1.1-4-4; or

(2) an annual adjustment under IC 6-1.1-4-4.5.

(g) If an appeal of an assessment is approved that results in a reduction of the assessed value of the real property, the amount of the deduction under this section is adjusted to reflect the percentage decrease that results from the appeal.

(h) The deduction under this section does not apply to a facility listed in IC 6-1.1-12.1-3(e).

SECTION 59. IC 6-1.1-12.6-2.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.1. (a) This section applies**

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only to a model residence that is first assessed as:

(1) a partially completed structure; or

(2) a fully completed structure;

for the assessment date in 2008 and was still a model residence on January 1, 2009.

(b) Except as provided in subsection (c) and sections 4, 5, and 6 of this chapter, and subject to sections 7 and 8 of this chapter, an owner of a model residence is entitled to a deduction from the assessed value of the model residence in the amount of fifty percent (50%) of the assessed value of the model residence for the 2008 assessment date. A deduction under this section counts as a deduction for an assessment date for purposes of section 2 of this chapter.

(c) A property owner that qualifies for the deduction under this section must file a statement containing the information required by subsection (d) with the county auditor to claim the deduction for the 2008 assessment date in the manner prescribed in emergency rules, which shall be adopted by the department of local government finance under IC 4-22-2. The township assessor shall verify each statement filed under this section, and the county auditor shall:

(1) make the deductions; and

(2) notify the county property tax assessment board of appeals of all deductions approved;

under this section. If the property taxes due for the 2008 assessment date have been paid, the person that paid the property taxes is entitled to a refund of the amount that has been overpaid after applying the deduction under this section. A property owner is not required to apply for a refund due under this section. The county auditor shall, without an appropriation being required, issue a warrant to the property owner payable from the county general fund for the amount of the refund due the property owner. In the June or December settlement and apportionment of taxes, or both, immediately following a refund made under this section the county auditor shall deduct the amount refunded from the gross tax collections of the taxing units for which the refunded taxes were originally paid and shall pay the amount so deducted into the general fund of the county. However, the county auditor shall make the deductions and payments required by this subsection not later than the December settlement and apportionment.

(d) The statement referred to in subsection (c) must be verified

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under penalties for perjury and must contain the following information:

(1) The assessed value of the real property for which the person is claiming the deduction.

(2) The full name and complete business address of the person claiming the deduction.

(3) The complete address and a brief description of the real property for which the person is claiming the deduction.

(4) The name of any other county in which the person has applied for a deduction under this section for that assessment date.

(5) The complete address and a brief description of any other real property for which the person has applied for a deduction under this section for the 2008 assessment date.

(e) This section expires January 1, 2011.

SECTION 60. IC 6-1.1-13-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. A county assessor shall inquire into the assessment of the classes of tangible property in the ~~various townships of the county~~ **group of parcels under a county's reassessment plan** after March 1 in the year in which the ~~general reassessment of tangible property in that group of parcels~~ becomes effective. The county assessor shall make any changes, whether increases or decreases, in the assessed values which are necessary in order to equalize these values in ~~and between the various townships of the county.~~ **that group.** In addition, the county assessor shall determine the percent to be added to or deducted from the assessed values in order to make a just, equitable, and uniform equalization of assessments in ~~and between the townships of the county.~~ **that group.**

SECTION 61. IC 6-1.1-13-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. If a county assessor proposes to change assessments under section 6 of this chapter, the property tax assessment board of appeals shall hold a hearing on the proposed changes before July 15 in the year in which a ~~general assessment reassessment of a group of parcels under a county's reassessment plan~~ is to commence. It is sufficient notice of the hearing and of any changes in assessments ordered by the board subsequent to the hearing if the board gives notice by publication once either in:

(1) two (2) newspapers which represent different political parties and which are published in the county; or

(2) one (1) newspaper only, if two (2) newspapers which

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1 represent different political parties are not published in the  
2 county.

3 SECTION 62. IC 6-1.1-15-1, AS AMENDED BY P.L.146-2008,  
4 SECTION 137, IS AMENDED TO READ AS FOLLOWS  
5 [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) A taxpayer may obtain a  
6 review by the county board of a county or township official's action  
7 with respect to either or both of the following:

8 (1) The assessment of the taxpayer's tangible property.  
9 (2) A deduction for which a review under this section is  
10 authorized by any of the following:

11 (A) IC 6-1.1-12-25.5.

12 (B) IC 6-1.1-12-28.5.

13 (C) IC 6-1.1-12-35.5.

14 (D) IC 6-1.1-12.1-5.

15 (E) IC 6-1.1-12.1-5.3.

16 (F) IC 6-1.1-12.1-5.4.

17 (b) At the time that notice of an action referred to in subsection (a)  
18 is given to the taxpayer, the taxpayer shall also be informed in writing  
19 of:

20 (1) the opportunity for a review under this section, including a  
21 preliminary informal meeting under subsection (h)(2) with the  
22 county or township official referred to in this subsection; and

23 (2) the procedures the taxpayer must follow in order to obtain a  
24 review under this section.

25 (c) In order to obtain a review of an assessment or deduction  
26 effective for the assessment date to which the notice referred to in  
27 subsection (b) applies, the taxpayer must file a notice in writing with  
28 the county or township official referred to in subsection (a) not later  
29 than forty-five (45) days after the date of the notice referred to in  
30 subsection (b).

31 (d) A taxpayer may obtain a review by the county board of the  
32 assessment of the taxpayer's tangible property effective for an  
33 assessment date for which a notice of assessment is not given as  
34 described in subsection (b). To obtain the review, the taxpayer must file  
35 a notice in writing with the township assessor, or the county assessor  
36 if the township is not served by a township assessor. The right of a  
37 taxpayer to obtain a review under this subsection for an assessment  
38 date for which a notice of assessment is not given does not relieve an  
39 assessing official of the duty to provide the taxpayer with the notice of  
40 assessment as otherwise required by this article. ~~For an assessment date~~  
41 ~~in a year before 2009;~~ The notice must be filed on or before May 10 of  
42 the year. ~~For an assessment date in a year after 2008; the notice must~~

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1 be filed not later than the later of:

2 ~~(1) May 10 of the year; or~~

3 ~~(2) forty-five (45) days after the date of the statement mailed by~~  
 4 ~~the county auditor under IC 6-1.1-17-3(b).~~

5 (e) A change in an assessment made as a result of a notice for  
 6 review filed by a taxpayer under subsection (d) after the time  
 7 prescribed in subsection (d) becomes effective for the next assessment  
 8 date. A change in an assessment made as a result of a notice for review  
 9 filed by a taxpayer under subsection (c) or (d) remains in effect from  
 10 the assessment date for which the change is made until the next  
 11 assessment date for which the assessment is changed under this article.

12 (f) The written notice filed by a taxpayer under subsection (c) or (d)  
 13 must include the following information:

14 (1) The name of the taxpayer.

15 (2) The address and parcel or key number of the property.

16 (3) The address and telephone number of the taxpayer.

17 (g) The filing of a notice under subsection (c) or (d):

18 (1) initiates a review under this section; and

19 (2) constitutes a request by the taxpayer for a preliminary  
 20 informal meeting with the official referred to in subsection (a).

21 (h) A county or township official who receives a notice for review  
 22 filed by a taxpayer under subsection (c) or (d) shall:

23 (1) immediately forward the notice to the county board; and

24 (2) attempt to hold a preliminary informal meeting with the  
 25 taxpayer to resolve as many issues as possible by:

26 (A) discussing the specifics of the taxpayer's assessment or  
 27 deduction;

28 (B) reviewing the taxpayer's property record card;

29 (C) explaining to the taxpayer how the assessment or  
 30 deduction was determined;

31 (D) providing to the taxpayer information about the statutes,  
 32 rules, and guidelines that govern the determination of the  
 33 assessment or deduction;

34 (E) noting and considering objections of the taxpayer;

35 (F) considering all errors alleged by the taxpayer; and

36 (G) otherwise educating the taxpayer about:

37 (i) the taxpayer's assessment or deduction;

38 (ii) the assessment or deduction process; and

39 (iii) the assessment or deduction appeal process.

40 (i) Not later than ten (10) days after the informal preliminary  
 41 meeting, the official referred to in subsection (a) shall forward to the  
 42 county auditor and the county board the results of the conference on a

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form prescribed by the department of local government finance that must be completed and signed by the taxpayer and the official. The form must indicate the following:

(1) If the taxpayer and the official agree on the resolution of all assessment or deduction issues in the review, a statement of:

(A) those issues; and

(B) the assessed value of the tangible property or the amount of the deduction that results from the resolution of those issues in the manner agreed to by the taxpayer and the official.

(2) If the taxpayer and the official do not agree on the resolution of all assessment or deduction issues in the review:

(A) a statement of those issues; and

(B) the identification of:

(i) the issues on which the taxpayer and the official agree; and

(ii) the issues on which the taxpayer and the official disagree.

(j) If the county board receives a form referred to in subsection (i)(1) before the hearing scheduled under subsection (k):

(1) the county board shall cancel the hearing;

(2) the county official referred to in subsection (a) shall give notice to the taxpayer, the county board, the county assessor, and the county auditor of the assessment or deduction in the amount referred to in subsection (i)(1)(B); and

(3) if the matter in issue is the assessment of tangible property, the county board may reserve the right to change the assessment under IC 6-1.1-13.

(k) If:

(1) subsection (i)(2) applies; or

(2) the county board does not receive a form referred to in subsection (i) not later than one hundred twenty (120) days after the date of the notice for review filed by the taxpayer under subsection (c) or (d);

the county board shall hold a hearing on a review under this subsection not later than one hundred eighty (180) days after the date of that notice. The county board shall, by mail, give notice of the date, time, and place fixed for the hearing to the taxpayer and the county or township official with whom the taxpayer filed the notice for review. The taxpayer and the county or township official with whom the taxpayer filed the notice for review are parties to the proceeding before the county board. ~~The county assessor is recused from any action the county board takes with respect to an assessment determination by the~~

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1 ~~county assessor.~~

2 (l) At the hearing required under subsection (k):

3 (1) the taxpayer may present the taxpayer's reasons for  
4 disagreement with the assessment or deduction; and

5 (2) the county or township official with whom the taxpayer filed  
6 the notice for review must present:

7 (A) the basis for the assessment or deduction decision; and

8 (B) the reasons the taxpayer's contentions should be denied.

9 (m) The official referred to in subsection (a) may not require the  
10 taxpayer to provide documentary evidence at the preliminary informal  
11 meeting under subsection (h). The county board may not require a  
12 taxpayer to file documentary evidence or summaries of statements of  
13 testimonial evidence before the hearing required under subsection (k).  
14 If the action for which a taxpayer seeks review under this section is the  
15 assessment of tangible property, the taxpayer is not required to have an  
16 appraisal of the property in order to do the following:

17 (1) Initiate the review.

18 (2) Prosecute the review.

19 (n) The county board shall prepare a written decision resolving all  
20 of the issues under review. The county board shall, by mail, give notice  
21 of its determination not later than one hundred twenty (120) days after  
22 the hearing under subsection (k) to the taxpayer, the official referred to  
23 in subsection (a), the county assessor, and the county auditor.

24 (o) If the maximum time elapses:

25 (1) under subsection (k) for the county board to hold a hearing; or

26 (2) under subsection (n) for the county board to give notice of its  
27 determination;

28 the taxpayer may initiate a proceeding for review before the Indiana  
29 board by taking the action required by section 3 of this chapter at any  
30 time after the maximum time elapses.

31 SECTION 63. IC 6-1.1-15-4, AS AMENDED BY P.L.219-2007,  
32 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
33 JANUARY 1, 2010]: Sec. 4. (a) After receiving a petition for review  
34 which is filed under section 3 of this chapter, the Indiana board shall  
35 conduct a hearing at its earliest opportunity. The Indiana board may  
36 correct any errors that may have been made and adjust the assessment  
37 or exemption in accordance with the correction.

38 (b) If the Indiana board conducts a site inspection of the property as  
39 part of its review of the petition, the Indiana board shall give notice to  
40 all parties of the date and time of the site inspection. The Indiana board  
41 is not required to assess the property in question. The Indiana board  
42 shall give notice of the date fixed for the hearing, by mail, to the

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taxpayer and to the county assessor. The Indiana board shall give these notices at least thirty (30) days before the day fixed for the hearing unless the parties agree to a shorter period. With respect to a petition for review filed by a county assessor, the county board that made the determination under review under this section may file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the county board in filing the amicus curiae brief shall be paid from the property reassessment fund under IC 6-1.1-4-27.5. The executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment or exemption is under appeal is subject to assessment by that taxing unit.

(c) If a petition for review does not comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter, the Indiana board shall return the petition to the petitioner and include a notice describing the defect in the petition. The petitioner then has thirty (30) days from the date on the notice to cure the defect and file a corrected petition. The Indiana board shall deny a corrected petition for review if it does not substantially comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter.

(d) After the hearing, the Indiana board shall give the taxpayer, the county assessor, and any entity that filed an amicus curiae brief:

(1) notice, by mail, of its final determination; and

(2) for parties entitled to appeal the final determination, notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

(e) Except as provided in subsection (f), the Indiana board shall conduct a hearing not later than nine (9) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(f) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a ~~general~~ reassessment of real property **under a county's reassessment plan** takes effect under IC 6-1.1-4-4, the Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(g) Except as provided in subsection (h), the Indiana board shall make a determination not later than the later of:

(1) ninety (90) days after the hearing; or

(2) the date set in an extension order issued by the Indiana board.

(h) With respect to an appeal of a real property assessment that

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1 takes effect on the assessment date on which a ~~general~~ reassessment of  
 2 real property **under a county's reassessment plan** takes effect under  
 3 IC 6-1.1-4-4, the Indiana board shall make a determination not later  
 4 than the later of:

5 (1) one hundred eighty (180) days after the hearing; or

6 (2) the date set in an extension order issued by the Indiana board.

7 (i) The Indiana board may not extend the final determination date  
 8 under subsection (g) or (h) by more than one hundred eighty (180)  
 9 days. If the Indiana board fails to make a final determination within the  
 10 time allowed by this section, the entity that initiated the petition may:

11 (1) take no action and wait for the Indiana board to make a final  
 12 determination; or

13 (2) petition for judicial review under section 5 of this chapter.

14 (j) A final determination must include separately stated findings of  
 15 fact for all aspects of the determination. Findings of ultimate fact must  
 16 be accompanied by a concise statement of the underlying basic facts of  
 17 record to support the findings. Findings must be based exclusively  
 18 upon the evidence on the record in the proceeding and on matters  
 19 officially noticed in the proceeding. Findings must be based upon a  
 20 preponderance of the evidence.

21 (k) The Indiana board may limit the scope of the appeal to the issues  
 22 raised in the petition and the evaluation of the evidence presented to  
 23 the county board in support of those issues only if all parties  
 24 participating in the hearing required under subsection (a) agree to the  
 25 limitation. A party participating in the hearing required under  
 26 subsection (a) is entitled to introduce evidence that is otherwise proper  
 27 and admissible without regard to whether that evidence has previously  
 28 been introduced at a hearing before the county board.

29 (l) The Indiana board may require the parties to the appeal:

30 (1) to file not more than five (5) business days before the date of  
 31 the hearing required under subsection (a) documentary evidence  
 32 or summaries of statements of testimonial evidence; and

33 (2) to file not more than fifteen (15) business days before the date  
 34 of the hearing required under subsection (a) lists of witnesses and  
 35 exhibits to be introduced at the hearing.

36 (m) A party to a proceeding before the Indiana board shall provide  
 37 to all other parties to the proceeding the information described in  
 38 subsection (l) if the other party requests the information in writing at  
 39 least ten (10) days before the deadline for filing of the information  
 40 under subsection (l).

41 (n) The Indiana board may base its final determination on a  
 42 stipulation between the respondent and the petitioner. If the final

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determination is based on a stipulated assessed valuation of tangible property, the Indiana board may order the placement of a notation on the permanent assessment record of the tangible property that the assessed valuation was determined by stipulation. The Indiana board may:

- (1) order that a final determination under this subsection has no precedential value; or
- (2) specify a limited precedential value of a final determination under this subsection.

SECTION 64. IC 6-1.1-15-12, AS AMENDED BY P.L.146-2008, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)]: Sec. 12. (a) Subject to the limitations contained in subsections (c) and (d), a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

- (1) The description of the real property was in error.
- (2) The assessment was against the wrong person.
- (3) Taxes on the same property were charged more than one (1) time in the same year.
- (4) There was a mathematical error in computing the taxes or penalties on the taxes.
- (5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.
- (6) The taxes, as a matter of law, were illegal.
- (7) There was a mathematical error in computing an assessment.
- (8) Through an error of omission by any state or county officer, the taxpayer was not given credit for an exemption or deduction permitted by law.

(b) The county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following officials:

- (1) The township assessor (if any).

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(2) The county auditor.

(3) The county assessor.

If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county board for determination. The county board shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county board to the Indiana board for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor (if any).

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

(h) A taxpayer that files a statement under IC 6-1.1-8-19 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead initiate an objection under IC 6-1.1-8-28 or an appeal under IC 6-1.1-8-30.

~~(i) A taxpayer that files a statement under IC 6-1.1-8-23 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead file an amended statement not more than six (6) months after the due date of the statement.~~

SECTION 65. IC 6-1.1-17-0.5, AS AMENDED BY P.L.144-2008, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 0.5. (a) For purposes of this section, "assessed value" has the meaning set forth in IC 6-1.1-1-3(a).

(b) The county auditor may exclude and keep separate on the tax

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duplicate for taxes payable in a calendar year the assessed value of tangible property that meets the following conditions:

(1) The assessed value of the property is at least nine percent (9%) of the assessed value of all tangible property subject to taxation by a taxing unit.

(2) The property is or has been part of a bankruptcy estate that is subject to protection under the federal bankruptcy code.

(3) The owner of the property has discontinued all business operations on the property.

(4) There is a high probability that the taxpayer will not pay property taxes due on the property in the following year.

(c) This section does not limit, restrict, or reduce in any way the property tax liability on the property.

(d) For each taxing unit located in the county, the county auditor may reduce for a calendar year the taxing unit's assessed value that is certified to the department of local government finance under section 1 of this chapter and used to set tax rates for the taxing unit for taxes first due and payable in the immediately succeeding calendar year. The county auditor may reduce a taxing unit's assessed value under this subsection only to enable the taxing unit to absorb the effects of reduced property tax collections in the immediately succeeding calendar year that are expected to result from any or a combination of the following:

(1) Successful appeals of the assessed value of property located in the taxing unit.

(2) Deductions under IC 6-1.1-12-37 **and IC 6-1.1-12-37.5** that result from the granting of applications for the ~~homestead credit~~ **standard deduction** for the calendar year under ~~IC 6-1.1-20-9-3 or IC 6-1.1-20-9-3.5~~ **IC 6-1.1-12-37 or IC 6-1.1-12-44** after the county auditor certifies assessed value as described in this section.

(3) Deductions that result from the granting of applications for deductions for the calendar year under IC 6-1.1-12-44 after the county auditor certifies assessed value as described in this section.

Not later than December 31 of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of each political subdivision of the county and to the department of local government finance. The certified statement must list any adjustments to the amount of the reduction under this subsection and the information submitted under section 1 of this chapter that are necessary as the result of processing

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homestead credit applications and deduction applications that are filed after the county auditor certifies assessed value as described in this section. The county auditor shall keep separately on the tax duplicate the amount of any reductions made under this subsection. The maximum amount of the reduction authorized under this subsection is determined under subsection (e).

(e) The amount of the reduction in a taxing unit's assessed value for a calendar year under subsection (d) may not exceed two percent (2%) of the assessed value of tangible property subject to assessment in the taxing unit in that calendar year.

(f) The amount of a reduction under subsection (d) may not be offered in a proceeding before the:

- (1) county property tax assessment board of appeals;
- (2) Indiana board; or
- (3) Indiana tax court;

as evidence that a particular parcel has been improperly assessed.

SECTION 66. IC 6-1.1-17-1, AS AMENDED BY P.L.146-2008, SECTION 146, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. (a) On or before August 1 of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of each political subdivision of the county and the department of local government finance. The statement shall contain:

- (1) information concerning the assessed valuation in the political subdivision for the next calendar year;
- (2) an estimate of the taxes to be distributed to the political subdivision during the last six (6) months of the current calendar year;
- (3) the current assessed valuation as shown on the abstract of charges;
- (4) the average growth in assessed valuation in the political subdivision over the preceding three (3) budget years; ~~excluding years in which a general reassessment occurs, determined according to procedures established by the department of local government finance;~~
- (5) the amount of the political subdivision's assessed valuation reduction determined under section 0.5(d) of this chapter;
- (6) for counties with taxing units that cross into or intersect with other counties, the assessed valuation as shown on the most current abstract of property; and
- (7) any other information at the disposal of the county auditor that might affect the assessed value used in the budget adoption

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(b) The estimate of taxes to be distributed shall be based on:

(1) the abstract of taxes levied and collectible for the current calendar year, less any taxes previously distributed for the calendar year; and

(2) any other information at the disposal of the county auditor which might affect the estimate.

(c) The fiscal officer of each political subdivision shall present the county auditor's statement to the proper officers of the political subdivision.

(d) Subject to subsection (e) and except as provided in subsection (f), after the county auditor sends a certified statement under subsection (a) or an amended certified statement under this subsection with respect to a political subdivision and before the department of local government finance certifies its action with respect to the political subdivision under section 16(f) of this chapter, the county auditor may amend the information concerning assessed valuation included in the earlier certified statement. The county auditor shall send a certified statement amended under this subsection, under the seal of the board of county commissioners, to:

(1) the fiscal officer of each political subdivision affected by the amendment; and

(2) the department of local government finance.

(e) Except as provided in subsection (g), before the county auditor makes an amendment under subsection (d), the county auditor must provide an opportunity for public comment on the proposed amendment at a public hearing. The county auditor must give notice of the hearing under IC 5-3-1. If the county auditor makes the amendment as a result of information provided to the county auditor by an assessor, the county auditor shall give notice of the public hearing to the assessor.

(f) Subsection (d) does not apply to an adjustment of assessed valuation under IC 36-7-15.1-26.9(d).

(g) The county auditor is not required to hold a public hearing under subsection (e) if:

(1) the amendment under subsection (d) is proposed to correct a mathematical error made in the determination of the amount of assessed valuation included in the earlier certified statement;

(2) the amendment under subsection (d) is proposed to add to the amount of assessed valuation included in the earlier certified statement assessed valuation of omitted property discovered after the county auditor sent the earlier certified statement; or

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(3) the county auditor determines that the amendment under subsection (d) will not result in an increase in the tax rate or tax rates of the political subdivision.

SECTION 67. IC 6-1.1-17-3, AS AMENDED BY P.L.146-2008, SECTION 147, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political subdivision shall give notice by publication to taxpayers of:

- (1) the estimated budget;
- (2) the estimated maximum permissible levy;
- (3) the current and proposed tax levies of each fund; and
- (4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing. Beginning in 2009, the duties required by this subsection must be completed before ~~August~~ **September** 10 of the calendar year. ~~A political subdivision shall provide the estimated budget and levy information required for the notice under subsection (b) to the county auditor on the schedule determined by the department of local government finance.~~

(b) ~~Beginning in 2010, before October 1 of a calendar year, the county auditor shall mail to the last known address of each person liable for any property taxes, as shown on the tax duplicate, or to the last known address of the most recent owner shown in the transfer book, a statement that includes:~~

- (1) ~~the assessed valuation as of the assessment date in the current calendar year of tangible property on which the person will be liable for property taxes first due and payable in the immediately succeeding calendar year and notice to the person of the opportunity to appeal the assessed valuation under IC 6-1.1-15-1(c) (before July 1, 2008) or IC 6-1.1-15-1 (after June 30, 2008);~~
- (2) ~~the amount of property taxes for which the person will be liable to each political subdivision on the tangible property for taxes first due and payable in the immediately succeeding calendar year, taking into account all factors that affect that liability, including:~~

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1 (A) the estimated budget and proposed tax rate and tax levy  
 2 formulated by the political subdivision under subsection (a);  
 3 (B) any deductions or exemptions that apply to the assessed  
 4 valuation of the tangible property;  
 5 (C) any credits that apply in the determination of the tax  
 6 liability; and  
 7 (D) the county auditor's best estimate of the effects on the tax  
 8 liability that might result from actions of:  
 9 (i) the county board of tax adjustment; or  
 10 (ii) the department of local government finance;  
 11 (3) a prominently displayed notation that:  
 12 (A) the estimate under subdivision (2) is based on the best  
 13 information available at the time the statement is mailed; and  
 14 (B) based on various factors, including potential actions by:  
 15 (i) the county board of tax adjustment; or  
 16 (ii) the department of local government finance;  
 17 it is possible that the tax liability as finally determined will  
 18 differ substantially from the estimate;  
 19 (4) comparative information showing the amount of property  
 20 taxes for which the person is liable to each political subdivision  
 21 on the tangible property for taxes first due and payable in the  
 22 current year; and  
 23 (5) the date, time, and place at which the political subdivision will  
 24 hold a public hearing on the political subdivision's estimated  
 25 budget and proposed tax rate and tax levy as required under  
 26 subsection (a).  
 27 (c) The department of local government finance shall:  
 28 (1) prescribe a form for; and  
 29 (2) provide assistance to county auditors in preparing;  
 30 statements under subsection (b). Mailing the statement described in  
 31 subsection (b) to a mortgagee maintaining an escrow account for a  
 32 person who is liable for any property taxes shall not be construed as  
 33 compliance with subsection (b).  
 34 (d) (b) The board of directors of a solid waste management district  
 35 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may  
 36 conduct the public hearing required under subsection (a):  
 37 (1) in any county of the solid waste management district; and  
 38 (2) in accordance with the annual notice of meetings published  
 39 under IC 13-21-5-2.  
 40 (e) (c) The trustee of each township in the county shall estimate the  
 41 amount necessary to meet the cost of township assistance in the  
 42 township for the ensuing calendar year. The township board shall adopt

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with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

~~(f) This subsection expires January 1, 2009. A county shall adopt with the county budget and the department of local government finance shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:~~

~~(1) The cost of child services (as defined in IC 12-19-7-1) of the county payable from the family and children's fund.~~

~~(2) The cost of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) of the county payable from the children's psychiatric residential treatment services fund.~~

~~A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment that is less than the levy necessary to pay the costs described in subdivision (1) or (2) shall not be treated as a final budget, tax rate, or tax levy under section 11 of this chapter.~~

SECTION 68. IC 6-1.1-17-3.5, AS ADDED BY P.L.146-2008, SECTION 148, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3.5. (a) This section does not apply to civil taxing units located in a county in which a county board of tax adjustment reviews budgets, tax rates, and tax levies. This section does not apply to a civil taxing unit that has its proposed budget and proposed property tax levy approved under IC 6-1.1-17-20 or IC 36-3-6-9.

(b) This section applies to a civil taxing unit other than a county. If a civil taxing unit will impose property taxes due and payable in the ensuing calendar year, the civil taxing unit shall file with the fiscal body of the county in which the civil taxing unit is located:

(1) a statement of the proposed or estimated tax rate and tax levy for the civil taxing unit for the ensuing budget year; and

(2) a copy of the civil taxing unit's proposed budget for the ensuing budget year.

(c) In the case of a civil taxing unit located in more than one (1) county, the civil taxing unit shall file the information under subsection (b) with the fiscal body of the county in which the greatest part of the civil taxing unit's net assessed valuation is located.

(d) A civil taxing unit must file the information under subsection (b) at least ~~fifteen (15)~~ **forty-five (45)** days before the civil taxing unit fixes its tax rate and tax levy and adopts its budget under this chapter.

(e) A county fiscal body shall **complete the following at least**

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**fifteen (15) days before the civil taxing unit fixes its tax rate and tax levy and adopts its budget under this chapter:**

(1) Review any proposed or estimated tax rate or tax levy or proposed budget filed by a civil taxing unit with the county fiscal body under this section. ~~and~~

(2) Issue a nonbinding recommendation to a civil taxing unit regarding the civil taxing unit's proposed or estimated tax rate or tax levy or proposed budget.

(f) The recommendation under subsection (e) must include a comparison of any increase in the civil taxing unit's budget or tax levy to:

(1) the average increase in Indiana nonfarm personal income for the preceding six (6) calendar years and the average increase in nonfarm personal income for the county for the preceding six (6) calendar years; and

(2) increases in the budgets and tax levies of other civil taxing units in the county.

(g) The department of local government finance must provide each county fiscal body with the most recent available information concerning increases in Indiana nonfarm personal income and increases in county nonfarm personal income.

**(h) If a civil taxing unit fails to file the information required by subsection (b) with the fiscal body of the county in which the civil taxing unit is located by the time prescribed in subsection (d), the most recent annual appropriations and annual tax levy of that civil taxing unit are continued for the ensuing budget year.**

**(i) If a county fiscal body fails to complete the requirements of subsection (e) before the deadline in subsection (e) for any civil taxing unit subject to this section, the most recent annual appropriations and annual tax levy of the county are continued for the ensuing budget year.**

SECTION 69. IC 6-1.1-17-5, AS AMENDED BY P.L.146-2008, SECTION 149, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

(1) The board of school trustees of a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000), not later than:

(A) the time required in section 5.6(b) of this chapter; or

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(B) for budget years beginning before July 1, 2010, ~~September 30~~ **November 1** if a resolution adopted under section 5.6(d) of this chapter is in effect.

(2) The proper officers of all other political subdivisions, not later than ~~September 30~~ **November 1**.

(3) The governing body of each school corporation (including a school corporation described in subdivision (1)), not later than the time required under section 5.6(b) of this chapter for budget years beginning after June 30, 2010.

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting ~~after September 20~~ of the county board of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:

(1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

(2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and

(3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting under IC 6-1.1-29-4. ~~after September 20 of that year.~~

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment within two (2) days after the ordinances are signed by the

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executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 70. IC 6-1.1-17-5.6, AS AMENDED BY P.L.146-2008, SECTION 150, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5.6. (a) For budget years beginning before July 1, 2010, this section applies only to a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000). For budget years beginning after June 30, 2010, this section applies to all school corporations. Beginning in 2010, each school corporation shall adopt a budget under this section that applies from July 1 of the year through June 30 of the following year. In the initial budget adopted by a school corporation in 2010 under this section, the first six (6) months of that initial budget must be consistent with the last six (6) months of the budget adopted by the school corporation for calendar year 2010.

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers. However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the ensuing budget year before September 30.

(c) Each year, at least two (2) days before the first meeting ~~after September 20~~ of the county board of tax adjustment held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

- (1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year;
- (2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year; and
- (3) any written notification from the department of local government finance under section 16(i) of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the school corporation for the ensuing budget year.

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting ~~after September 20 of that year.~~ **under IC 6-1.1-29-4.**

(d) This subsection does not apply to budget years after June 30, 2010. The governing body of the school corporation may adopt a

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1 resolution to cease using a school year budget year and return to using  
 2 a calendar year budget year. A resolution adopted under this subsection  
 3 must be adopted after January 1 and before July 1. The school  
 4 corporation's initial calendar year budget year following the adoption  
 5 of a resolution under this subsection begins on January 1 of the year  
 6 following the year the resolution is adopted. The first six (6) months of  
 7 the initial calendar year budget for the school corporation must be  
 8 consistent with the last six (6) months of the final school year budget  
 9 fixed by the department of local government finance before the  
 10 adoption of a resolution under this subsection. Notwithstanding any  
 11 resolution adopted under this subsection, beginning in 2010, each  
 12 school corporation shall adopt a budget under this section that applies  
 13 from July 1 of the year through June 30 of the following year.

14 (e) A resolution adopted under subsection (d) may be rescinded by  
 15 a subsequent resolution adopted by the governing body. If the  
 16 governing body of the school corporation rescinds a resolution adopted  
 17 under subsection (d) and returns to a school year budget year, the  
 18 school corporation's initial school year budget year begins on July 1  
 19 following the adoption of the rescinding resolution and ends on June  
 20 30 of the following year. The first six (6) months of the initial school  
 21 year budget for the school corporation must be consistent with the last  
 22 six (6) months of the last calendar year budget fixed by the department  
 23 of local government finance before the adoption of a rescinding  
 24 resolution under this subsection.

25 SECTION 71. IC 6-1.1-17-9, AS AMENDED BY P.L.146-2008,  
 26 SECTION 154, IS AMENDED TO READ AS FOLLOWS  
 27 [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) The county board of tax  
 28 adjustment shall complete the duties assigned to it under this chapter  
 29 on or before ~~October 1st~~ **November 2** of each year, except that in a  
 30 consolidated city and county and in a county containing a second class  
 31 city, the duties of this board need not be completed until ~~November~~  
 32 **December 1** of each year.

33 (b) If the county board of tax adjustment fails to complete the duties  
 34 assigned to it within the time prescribed in this section or to reduce  
 35 aggregate tax rates so that they do not exceed the maximum rates  
 36 permitted under IC 6-1.1-18, the county auditor shall calculate and fix  
 37 the tax rate within each political subdivision of the county so that the  
 38 maximum rate permitted under IC 6-1.1-18 is not exceeded.

39 (c) When the county auditor calculates and fixes tax rates, the  
 40 county auditor shall send a certificate notice of those rates to each  
 41 political subdivision of the county. The county auditor shall send these  
 42 notices within five (5) days after:

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(1) publication of the notice required by section 12 of this chapter; or

(2) the tax rates are calculated and fixed by the county auditor;

whichever applies.

(d) When the county auditor calculates and fixes tax rates, that action shall be treated as if it were the action of the county board of tax adjustment.

SECTION 72. IC 6-1.1-17-12, AS AMENDED BY P.L.146-2008, SECTION 157, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. ~~As soon as~~ If the budgets, tax rates, and or tax levies are approved or modified by the county board of tax adjustment or county auditor, the county auditor shall within fifteen (15) days of the modification prepare a notice of the tax rates to be charged on each one hundred dollars (\$100) of assessed valuation for the various funds in each taxing district. The notice shall also inform the taxpayers of the manner in which they may initiate an appeal of the modification by the county board's action: board or county auditor. The county auditor shall post the notice at the county courthouse and publish it in two (2) newspapers which represent different political parties and which have a general circulation in the county.

SECTION 73. IC 6-1.1-17-13, AS AMENDED BY P.L.228-2005, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13. (a) Ten (10) or more taxpayers or one (1) taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision may initiate an appeal from the county board of tax adjustment's action on or county auditor's modification of a political subdivision's budget, tax rate, or tax levy, by filing a statement of their objections with the county auditor. The statement must be filed not later than ten (10) days after the publication of the notice required by section 12 of this chapter. The statement shall specifically identify the provisions of the budget, and tax rate, or tax levy to which the taxpayers object. The county auditor shall forward the statement, with the budget, to the department of local government finance.

(b) The department of local government finance shall:

(1) subject to subsection (c), give notice to the first ten (10) taxpayers whose names appear on the petition, or to the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision in the case of an appeal initiated by that taxpayer, of the date, time, and

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location of the hearing on the objection statement filed under subsection (a);

(2) conduct a hearing on the objection; and

(3) after the hearing:

(A) consider the testimony and evidence submitted at the hearing; and

(B) mail the department's:

(i) written determination; and

(ii) written statement of findings;

to the first ten (10) taxpayers whose names appear on the petition, or to the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision in the case of an appeal initiated by that taxpayer.

The department of local government finance may hold the hearing in conjunction with the hearing required under IC 6-1.1-17-16.

(c) The department of local government finance shall provide written notice to:

(1) the first ten (10) taxpayers whose names appear on the petition; or

(2) the taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision, in the case of an appeal initiated by that taxpayer;

at least five (5) days before the date of the hearing.

SECTION 74. IC 6-1.1-17-14, AS AMENDED BY P.L.146-2008, SECTION 158, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. The county auditor shall initiate an appeal to the department of local government finance if the county fiscal body or the county board of tax adjustment reduces

~~(1) a township assistance tax rate below the rate necessary to meet the estimated cost of township assistance.~~

~~(2) a family and children's fund tax rate below the rate necessary to collect the levy recommended by the department of child services; for property taxes first due and payable before January 1, 2009; or~~

~~(3) a children's psychiatric residential treatment services fund tax rate below the rate necessary to collect the levy recommended by the department of child services; for property taxes first due and payable before January 1, 2009.~~

SECTION 75. IC 6-1.1-17-15, AS AMENDED BY P.L.146-2008, SECTION 159, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. A political subdivision may

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1 appeal to the department of local government finance for an increase  
 2 in its tax rate or tax levy as ~~fixed~~ **modified** by the county board of tax  
 3 adjustment or the county auditor. To initiate the appeal, the political  
 4 subdivision must file a statement with the department of local  
 5 government finance not later than ten (10) days after publication of the  
 6 notice required by section 12 of this chapter. The legislative body of  
 7 the political subdivision must authorize the filing of the statement by  
 8 adopting a resolution. The resolution must be attached to the statement  
 9 of objections, and the statement must be signed by the following  
 10 officers:

11 (1) In the case of counties, by the board of county commissioners  
 12 and by the president of the county council.

13 (2) In the case of all other political subdivisions, by the highest  
 14 executive officer and by the presiding officer of the legislative  
 15 body.

16 SECTION 76. IC 6-1.1-17-16, AS AMENDED BY P.L.146-2008,  
 17 SECTION 160, IS AMENDED TO READ AS FOLLOWS  
 18 [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) Subject to the limitations  
 19 and requirements prescribed in this section, the department of local  
 20 government finance may revise, reduce, or increase a political  
 21 subdivision's budget by fund, tax rate, or tax levy which the department  
 22 reviews under section 8 or 10 of this chapter.

23 (b) Subject to the limitations and requirements prescribed in this  
 24 section, the department of local government finance may review,  
 25 revise, reduce, or increase the budget by fund, tax rate, or tax levy of  
 26 any of the political subdivisions whose tax rates compose the aggregate  
 27 tax rate within a political subdivision whose budget, tax rate, or tax  
 28 levy is the subject of an appeal initiated under this chapter.

29 (c) Except as provided in subsections (j) and (k), before the  
 30 department of local government finance reviews, revises, reduces, or  
 31 increases a political subdivision's budget by fund, tax rate, or tax levy  
 32 under this section, the department must hold a public hearing on the  
 33 budget, tax rate, and tax levy. The department of local government  
 34 finance shall hold the hearing in the county in which the political  
 35 subdivision is located. The department of local government finance  
 36 may consider the budgets by fund, tax rates, and tax levies of several  
 37 political subdivisions at the same public hearing. At least five (5) days  
 38 before the date fixed for a public hearing, the department of local  
 39 government finance shall give notice of the time and place of the  
 40 hearing and of the budgets by fund, levies, and tax rates to be  
 41 considered at the hearing. The department of local government finance  
 42 shall publish the notice in two (2) newspapers of general circulation

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published in the county. However, if only one (1) newspaper of general circulation is published in the county, the department of local government finance shall publish the notice in that newspaper.

(d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5, the department of local government finance may not increase a political subdivision's budget by fund, tax rate, or tax levy to an amount which exceeds the amount originally fixed by the political subdivision. However, if the department of local government finance determines that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the political subdivision, the maximum amount by which the department may increase the tax rate, tax levy, or budget is the amount originally fixed by the political subdivision, and not the amount that was incorrectly published or omitted in the notice described in IC 5-3-1-2.3(b). The department of local government finance shall give the political subdivision written notification specifying any revision, reduction, or increase the department proposes in a political subdivision's tax levy or tax rate. The political subdivision has ~~two (2)~~ **weeks ten (10) calendar days** from the date the political subdivision receives the notice to provide a written response to the department of local government finance's Indianapolis office. The response may include budget reductions, reallocation of levies, a revision in the amount of miscellaneous revenues, and further review of any other item about which, in the view of the political subdivision, the department is in error. The department of local government finance shall consider the adjustments as specified in the political subdivision's response if the response is provided as required by this subsection and shall deliver a final decision to the political subdivision.

(e) The department of local government finance may not approve a levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

- (1) no bonds of the building corporation are outstanding; or
- (2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) The department of local government finance shall certify its action to:

- (1) the county auditor;
- (2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;
- (3) the taxpayer that initiated an appeal under section 13 of this chapter, or, if the appeal was initiated by multiple taxpayers, the

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1 first ten (10) taxpayers whose names appear on the statement filed  
2 to initiate the appeal; and

3 (4) a taxpayer that owns property that represents at least ten  
4 percent (10%) of the taxable assessed valuation in the political  
5 subdivision.

6 (g) The following may petition for judicial review of the final  
7 determination of the department of local government finance under  
8 subsection (f):

9 (1) If the department acts under an appeal initiated by a political  
10 subdivision, the political subdivision.

11 (2) If the department:

12 (A) acts under an appeal initiated by one (1) or more taxpayers  
13 under section 13 of this chapter; or

14 (B) fails to act on the appeal before the department certifies its  
15 action under subsection (f);

16 a taxpayer who signed the statement filed to initiate the appeal.

17 (3) If the department acts under an appeal initiated by the county  
18 auditor under section 14 of this chapter, the county auditor.

19 (4) A taxpayer that owns property that represents at least ten  
20 percent (10%) of the taxable assessed valuation in the political  
21 subdivision.

22 The petition must be filed in the tax court not more than forty-five (45)  
23 days after the department certifies its action under subsection (f).

24 (h) The department of local government finance is expressly  
25 directed to complete the duties assigned to it under this section not later  
26 than February 15th of each year for taxes to be collected during that  
27 year.

28 (i) Subject to the provisions of all applicable statutes, the  
29 department of local government finance may increase a political  
30 subdivision's tax levy to an amount that exceeds the amount originally  
31 fixed by the political subdivision if the increase is:

32 (1) requested in writing by the officers of the political  
33 subdivision;

34 (2) either:

35 (A) based on information first obtained by the political  
36 subdivision after the public hearing under section 3 of this  
37 chapter; or

38 (B) results from an inadvertent mathematical error made in  
39 determining the levy; and

40 (3) published by the political subdivision according to a notice  
41 provided by the department.

42 (j) The department of local government finance shall annually

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review the budget by fund of each school corporation not later than April 1. The department of local government finance shall give the school corporation written notification specifying any revision, reduction, or increase the department proposes in the school corporation's budget by fund. A public hearing is not required in connection with this review of the budget.

(k) The department of local government finance may hold a hearing under subsection (c) only if the notice required in section 12 of this chapter is published at least ten (10) days before the date of the hearing.

SECTION 77. IC 6-1.1-17-20, AS AMENDED BY P.L.146-2008, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 20. (a)

This section applies

(+) to each governing body of a taxing unit that:

(1) is not comprised of a majority of officials who are elected to serve on the governing body; and

(2) if the either:

(A) is:

(i) a conservancy district subject to IC 14-33-9;

(ii) a solid waste management district subject to IC 13-21; or

(iii) a fire protection district subject to IC 36-8-11-18; or

(B) has a percentage increase in the proposed budget for the taxing unit for the ensuing calendar year that is more than the result of:

(A) (i) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; minus

(B) (ii) one (1).

**For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.**

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include:

(1) a school corporation; or

(2) an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) This subsection does not apply to a public library. If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

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(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted at least ~~fourteen~~ **(+4) thirty (30)** days before the city or town fiscal body is required to hold budget approval hearings under this chapter.

(d) If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted at least ~~fourteen~~ **(+4) thirty (30)** days before the county fiscal body is required to hold budget approval hearings under this chapter.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

**(f) If a taxing unit fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, the most recent annual appropriations and annual tax levy of that taxing unit are continued for the ensuing budget year.**

**(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any taxing unit subject to this section, the most recent annual appropriations and annual tax levy of the city, town, or county, whichever applies, are continued for the ensuing budget year.**

SECTION 78. IC 6-1.1-17-20.5, AS ADDED BY P.L.146-2008, SECTION 164, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 20.5. (a) This section applies to the governing body of a taxing unit unless a majority of the governing body is comprised of officials who are elected to serve on the governing body. **For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.**

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include:

**(1) a school corporation; or**

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(2) an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) **This subsection does not apply to a public library.** If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

the governing body of the taxing unit may not issue bonds or enter into a lease payable in whole or in part from property taxes unless it obtains the approval of the city or town fiscal body.

(d) This subsection applies to a taxing unit not described in subsection (c). The governing body of the taxing unit may not issue bonds or enter into a lease payable in whole or in part from property taxes unless it obtains the approval of the county fiscal body in the county where the taxing unit has the most net assessed valuation.

SECTION 79. IC 6-1.1-18-2, AS AMENDED BY P.L.146-2008, SECTION 165, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. ~~(a) Before January 1, 2009, the state may not impose a combined ad valorem property tax rate on tangible property that exceeds the sum of the ad valorem property tax rates permitted under IC 4-9.1-1-8, IC 14-23-3-3, and IC 15-1.5-7-3 (before July 1, 2008) and IC 15-13-8-3 (after June 30, 2008, and before January 1, 2009). The state tax rate is not subject to review by county boards of tax adjustment or county auditors.~~

~~(b)~~ (a) Except as permitted under IC 4-9.1-1-8 to repay notes issued to meet casual deficits in state revenue, the state may not impose an ad valorem property tax rate on tangible property after December 31, 2008.

~~(c)~~ (b) This section does not apply to political subdivisions of the state.

SECTION 80. IC 6-1.1-18-12, AS AMENDED BY P.L.146-2008, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

(1) property tax rate or rates; or

(2) special benefits tax rate or rates;

referred to in the statutes listed in subsection (d).

(b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection (e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.

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(c) The maximum rate must be adjusted each year to account for the change in assessed value of real property that results from:

- (1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5; or
- (2) a ~~general~~ reassessment of real property **under a county's reassessment plan** under IC 6-1.1-4-4.

(d) The statutes to which subsection (a) refers are:

- (1) IC 8-10-5-17;
- (2) IC 8-22-3-11;
- (3) IC 8-22-3-25;
- (4) IC 12-29-1-1;
- (5) IC 12-29-1-2;
- (6) IC 12-29-1-3;
- (7) IC 12-29-3-6;
- (8) IC 13-21-3-12;
- (9) IC 13-21-3-15;
- (10) IC 14-27-6-30;
- (11) IC 14-33-7-3;
- (12) IC 14-33-21-5;
- (13) IC 15-14-7-4;
- (14) IC 15-14-9-1;
- (15) IC 15-14-9-2;
- (16) IC 16-20-2-18;
- (17) IC 16-20-4-27;
- (18) IC 16-20-7-2;
- (19) IC 16-22-14;
- (20) IC 16-23-1-29;
- (21) IC 16-23-3-6;
- (22) IC 16-23-4-2;
- (23) IC 16-23-5-6;
- (24) IC 16-23-7-2;
- (25) IC 16-23-8-2;
- (26) IC 16-23-9-2;
- (27) IC 16-41-15-5;
- (28) IC 16-41-33-4;
- (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- (30) IC 20-46-6-5;
- (31) IC 20-49-2-10;
- (32) IC 36-1-19-1;
- (33) IC 23-14-66-2;
- (34) IC 23-14-67-3;
- (35) IC 36-7-13-4;

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- 1 (36) IC 36-7-14-28;
- 2 (37) IC 36-7-15.1-16;
- 3 (38) IC 36-8-19-8.5;
- 4 (39) IC 36-9-6.1-2;
- 5 (40) IC 36-9-17.5-4;
- 6 (41) IC 36-9-27-73;
- 7 (42) IC 36-9-29-31;
- 8 (43) IC 36-9-29.1-15;
- 9 (44) IC 36-10-6-2;
- 10 (45) IC 36-10-7-7;
- 11 (46) IC 36-10-7-8;
- 12 (47) IC 36-10-7.5-19;
- 13 (48) IC 36-10-13-5;
- 14 (49) IC 36-10-13-7;
- 15 (50) IC 36-10-14-4;
- 16 (51) IC 36-12-7-7;
- 17 (52) IC 36-12-7-8;
- 18 (53) IC 36-12-12-10; and
- 19 (54) any statute enacted after December 31, 2003, that:
- 20 (A) establishes a maximum rate for any part of the:
- 21 (i) property taxes; or
- 22 (ii) special benefits taxes;
- 23 imposed by a political subdivision; and
- 24 (B) does not exempt the maximum rate from the adjustment
- 25 under this section.
- 26 (e) The new maximum rate under a statute listed in subsection (d)
- 27 is the tax rate determined under STEP SEVEN of the following STEPS:
- 28 STEP ONE: Determine the maximum rate for the political
- 29 subdivision levying a property tax or special benefits tax under
- 30 the statute for the year preceding the year in which the annual
- 31 adjustment or ~~general~~ reassessment **under a county's**
- 32 **reassessment plan** takes effect.
- 33 STEP TWO: Determine the actual percentage increase (rounded
- 34 to the nearest one-hundredth percent (0.01%)) in the assessed
- 35 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
- 36 taxable property from the year preceding the year the annual
- 37 adjustment or ~~general~~ reassessment **under a county's**
- 38 **reassessment plan** takes effect to the year that the annual
- 39 adjustment or ~~general~~ reassessment takes effect.
- 40 STEP THREE: Determine the three (3) calendar years that
- 41 immediately precede the ensuing calendar year. ~~and in which a~~
- 42 ~~statewide general reassessment of real property does not first take~~



effect.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

SECTION 81. IC 6-1.1-18-13, AS AMENDED BY P.L.219-2007, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 13. (a) The maximum property tax rate levied under IC 20-46-6 by each school corporation for the school corporation's capital projects fund must be adjusted each year to account for the change in assessed value of real property that results from:

(1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5; or

(2) a ~~general~~ reassessment of real property **under a county's reassessment plan** under IC 6-1.1-4-4.

(b) The new maximum rate under this section is the tax rate determined under STEP SEVEN of the following formula:

STEP ONE: Determine the maximum rate for the school corporation for the year preceding the year in which the annual adjustment or ~~general~~ reassessment **under a county's reassessment plan** takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or ~~general~~ reassessment **under a county's reassessment plan** takes effect to the year that the annual

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adjustment or ~~general~~ reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year. ~~and in which a statewide general reassessment of real property does not first become effective.~~

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(c) The department of local government finance shall compute the maximum rate allowed under subsection (b) and provide the rate to each school corporation.

SECTION 82. IC 6-1.1-18.5-1, AS AMENDED BY P.L.154-2006, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. As used in this chapter:

"Ad valorem property tax levy for an ensuing calendar year" means the total property taxes imposed by a civil taxing unit for current property taxes collectible in that ensuing calendar year.

"Adopting county" means any county in which the county adjusted gross income tax is in effect.

"Civil taxing unit" means any taxing unit except a school corporation.

"Maximum permissible ad valorem property tax levy for the preceding calendar year" means the greater of:

(1) the remainder of:

(A) the civil taxing unit's maximum permissible ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined under section 3 of this chapter; minus

(B) one-half (1/2) of the remainder of:

(i) the civil taxing unit's maximum permissible ad valorem property tax levy referred to in clause (A); minus

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(ii) the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year referred to in subdivision (2); or

(2) the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17, and after eliminating the effects of temporary excessive levy appeals and temporary adjustments made to the working maximum levy for the calendar year immediately preceding the ensuing calendar year, as determined by the department of local government finance.

"Taxable property" means all tangible property that is subject to the tax imposed by this article and is not exempt from the tax under IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this chapter, the term "taxable property" is further defined in section 6 of this chapter.

"Unadjusted assessed value" means the assessed value of a civil taxing unit as determined by local assessing officials and the department of local government finance in a particular calendar year before the application of an annual adjustment under IC 6-1.1-4-4.5 for that particular calendar year or any calendar year since the last ~~general~~ reassessment **under a county's reassessment plan** preceding the particular calendar year.

SECTION 83. IC 6-1.1-18.5-7, AS AMENDED BY P.L.146-2008, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) A civil taxing unit is not subject to the levy limits imposed by section 3 of this chapter for an ensuing calendar year if the civil taxing unit did not adopt an ad valorem property tax levy for the immediately preceding calendar year.

(b) If under subsection (a) a civil taxing unit is not subject to the levy limits imposed under section 3 of this chapter for a calendar year, the civil taxing unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for that calendar year to ~~the local government tax control board established by section 11 of this chapter before the tax levy is advertised. The local government tax control board shall then review and make a recommendation to the department of local government finance. on the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for that calendar year.~~ The department of local government finance shall make a final determination of the civil taxing unit's budget, ad valorem

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property tax levy, and property tax rate for that calendar year. However, a civil taxing unit may not impose a property tax levy for a year if the unit did not exist as of March 1 of the preceding year.

SECTION 84. IC 6-1.1-18.5-8, AS AMENDED BY P.L.146-2008, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit if the civil taxing unit is committed to levy the taxes to pay or fund either:

(1) bonded indebtedness; or

(2) lease rentals under a lease with an original term of at least five

(5) years.

(b) Except as provided by subsections (g) and (h), a civil taxing unit must file a petition requesting approval from the department of local government finance to incur bonded indebtedness or execute a lease with an original term of at least five (5) years not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under IC 6-1.1-20-3.1(2) (as in effect before July 1, 2008), unless the civil taxing unit demonstrates that a longer period is reasonable in light of the civil taxing unit's facts and circumstances. A civil taxing unit must obtain approval from the department of local government finance before the civil taxing unit may:

(1) incur the bonded indebtedness; or

(2) enter into the lease.

The department of local government finance may seek recommendations from the local government tax control board established by section 11 of this chapter when determining whether to authorize incurring the bonded indebtedness or the execution of the lease.

(c) The department of local government finance shall render a decision within three (3) months after the date it receives a request for approval under subsection (b). However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department sends notice of the extension to the executive officer of the civil taxing unit. A civil taxing unit may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under this section.

(d) A civil taxing unit does not need approval under subsection (b) to obtain temporary loans made in anticipation of and to be paid from

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current revenues of the civil taxing unit actually levied and in the course of collection for the fiscal year in which the loans are made.

(e) For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a calendar year does not include that part of its levy that is committed to fund or pay bond indebtedness or lease rentals with an original term of five (5) years in subsection (a).

(f) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty (30) days after the department enters its order under this section.

(g) This subsection applies only to bonds, leases, and other obligations for which a civil taxing unit:

(1) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or

(2) in the case of bonds, leases, or other obligations payable from ad valorem property taxes but not described in subdivision (1), adopts a resolution or ordinance authorizing the bonds, lease rental agreement, or other obligations after June 30, 2008.

Notwithstanding any other provision, review by the department of local government finance and approval by the department of local government finance is not required before a civil taxing unit may issue or enter into bonds, a lease, or any other obligation.

(h) This subsection applies after June 30, 2008. Notwithstanding any other provision, review by the department of local government finance and approval by the department of local government finance is not required before a civil taxing unit may construct, alter, or repair a capital project.

SECTION 85. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.219-2007, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 9.8. (a) For purposes of determining the property tax levy limit imposed on a city, town, or county under section 3 of this chapter, the city, town, or county's ad valorem property tax levy for a particular calendar year does not include an amount equal to the lesser of:

(1) the amount of ad valorem property taxes that would be first due and payable to the city, town, or county during the ensuing calendar year if the taxing unit imposed the maximum permissible property tax rate per one hundred dollars (\$100) of assessed valuation that the civil taxing unit may impose for the particular

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calendar year under the authority of IC 36-9-14.5 (in the case of a county) or IC 36-9-15.5 (in the case of a city or town); or

(2) the excess, if any, of:

(A) the property taxes imposed by the city, town, or county under the authority of:

IC 3-11-6-9;

IC 8-16-3;

IC 8-16-3.1;

IC 8-22-3-25;

IC 14-27-6-48;

IC 14-33-9-3;

IC 16-22-8-41;

IC 16-22-5-2 through IC 16-22-5-15;

IC 16-23-1-40;

IC 36-8-14;

IC 36-9-4-48;

IC 36-9-14;

IC 36-9-14.5;

IC 36-9-15;

IC 36-9-15.5;

IC 36-9-16;

IC 36-9-16.5;

IC 36-9-17;

IC 36-9-26;

IC 36-9-27-100;

IC 36-10-3-21; or

IC 36-10-4-36;

that are first due and payable during the ensuing calendar year; over

(B) the property taxes imposed by the city, town, or county under the authority of the citations listed in clause (A) that were first due and payable during calendar year 1984.

(b) The maximum property tax rate levied under the statutes listed in subsection (a) must be adjusted each year to account for the change in assessed value of real property that results from:

(1) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5; or

(2) a ~~general~~ reassessment of real property **under a county's reassessment plan** under IC 6-1.1-4-4.

(c) The new maximum rate under a statute listed in subsection (a) is the tax rate determined under STEP SEVEN of the following formula:

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STEP ONE: Determine the maximum rate for the political subdivision levying a property tax under the statute for the year preceding the year in which the annual adjustment or ~~general~~ reassessment **under a county's reassessment plan** takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or ~~general~~ reassessment **under a county's reassessment plan** takes effect to the year that the annual adjustment or ~~general~~ reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year. ~~and in which a statewide general reassessment of real property does not first become effective.~~

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(d) The department of local government finance shall compute the maximum rate allowed under subsection (c) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (a).

SECTION 86. IC 6-1.1-18.5-10, AS AMENDED BY P.L.146-2008, SECTION 174, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 10. (a) ~~Subject to subsection (d),~~ The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit to be used to fund:

(1) community mental health centers under:

(A) IC 12-29-2-1.2, for only those civil taxing units that authorized financial assistance under IC 12-29-1 before 2002

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1 for a community mental health center as long as the tax levy  
 2 under this section does not exceed the levy authorized in 2002;  
 3 (B) IC 12-29-2-2 through IC 12-29-2-5; and  
 4 (C) IC 12-29-2-13; or  
 5 (2) community mental retardation and other developmental  
 6 disabilities centers under IC 12-29-1-1;  
 7 to the extent that those property taxes are attributable to any increase  
 8 in the assessed value of the civil taxing unit's taxable property caused  
 9 by a general reassessment of real property **or reassessment of real**  
 10 **property under a county's reassessment plan** that took effect after  
 11 February 28, 1979.  
 12 (b) ~~Subject to subsection (d)~~; For purposes of computing the ad  
 13 valorem property tax levy limits imposed on a civil taxing unit by  
 14 section 3 of this chapter, the civil taxing unit's ad valorem property tax  
 15 levy for a particular calendar year does not include that part of the levy  
 16 described in subsection (a).  
 17 (c) This subsection applies to property taxes first due and payable  
 18 after December 31, 2008. Notwithstanding subsections (a) and (b) or  
 19 any other law, any property taxes imposed by a civil taxing unit that are  
 20 exempted by this section from the ad valorem property tax levy limits  
 21 imposed by section 3 of this chapter may not increase annually by a  
 22 percentage greater than the result of:  
 23 (1) the assessed value growth quotient determined under section  
 24 2 of this chapter; minus  
 25 (2) one (1).  
 26 ~~(d) The exemptions under subsections (a) and (b) from the ad~~  
 27 ~~valorem property tax levy limits do not apply to a civil taxing unit that~~  
 28 ~~did not fund a community mental health center or community mental~~  
 29 ~~retardation and other developmental disabilities center in 2008.~~  
 30 **(d) For a county that did not impose an ad valorem property tax**  
 31 **levy before January 1, 2009, for the county general fund to provide**  
 32 **financial assistance under IC 12-29-1 (community mental**  
 33 **retardation and other developmental disabilities center) or**  
 34 **IC 12-29-2 (community mental health center), the levy limits do not**  
 35 **apply to the part of the county's general fund that is used in the**  
 36 **first ensuing calendar year to provide financial assistance under**  
 37 **IC 12-29-1 or IC 12-29-2. The department of local government**  
 38 **finance shall review a county's proposed budget that is submitted**  
 39 **under IC 12-29-1-1 or IC 12-29-2-1.2 and make a final**  
 40 **determination of the county's financial assistance budget for the**  
 41 **first ensuing calendar year.**  
 42 SECTION 87. IC 6-1.1-18.5-10.5, AS AMENDED BY

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P.L.146-2008, SECTION 177, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10.5. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit for fire protection services within a fire protection territory under IC 36-8-19, if the civil taxing unit is a participating unit in a fire protection territory established before August 1, 2001. For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter on a civil taxing unit that is a participating unit in a fire protection territory established before August 1, 2001, the civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under IC 36-8-19.

(b) This subsection applies to a participating unit in a fire protection territory established under IC 36-8-19 after July 31, 2001. The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit for fire protection services within a fire protection territory under IC 36-8-19 for the three (3) calendar years in which the participating unit levies a tax to support the territory. For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter for the three (3) calendar years for which the participating unit levies a tax to support the territory, the civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under IC 36-8-19.

(c) This subsection applies to property taxes first due and payable after December 31, 2008. **Except as provided in subsection (d),** notwithstanding subsections (a) and (b) or any other law, any property taxes imposed by a civil taxing unit that are exempted by this section from the ad valorem property tax levy limits imposed by section 3 of this chapter may not increase annually by a percentage greater than the result of:

- (1) the assessed value growth quotient determined under section 2 of this chapter; minus
- (2) one (1).

**(d) The limits specified in subsection (c) do not apply to a civil taxing unit in the first year in which the civil taxing unit becomes a participating unit in a fire protection territory established under IC 36-8-19. In the first year in which a civil taxing unit becomes a participating unit in a fire protection territory, the civil taxing unit shall submit its proposed budget, proposed ad valorem property tax levy, and proposed property tax rate for the fire protection**

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territory to the department of local government finance. The department of local government finance shall make a final determination of the civil taxing unit's budget, ad valorem property tax levy, and property tax rate for the fire protection territory for that calendar year. In making its determination under this subsection, the department of local government finance shall consider the amount that the civil taxing unit is obligated to provide to meet the expenses of operation and maintenance of the fire protection services within the territory, plus a reasonable operating balance, not to exceed twenty percent (20%) of the budgeted expenses. However, the department of local government finance may not approve under this subsection a property tax levy greater than zero (0) if the civil taxing unit did not exist as of the March 1 assessment date for which the tax levy will be imposed. For purposes of applying subsection (c) to the civil taxing unit's property tax levy for the fire protection territory in subsequent calendar years, the department of local government finance may determine not to consider part or all of the part of the first year property tax levy imposed to establish an operating balance.

SECTION 88. IC 6-1.1-18.5-12, AS AMENDED BY P.L.146-2008, SECTION 179, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) Any civil taxing unit that determines that it cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter may:

- (1) before ~~September~~ **October** 20 of the calendar year immediately preceding the ensuing calendar year; or
- (2) in the case of a request described in section 16 of this chapter, before December 31 of the calendar year immediately preceding the ensuing calendar year;

appeal to the department of local government finance for relief from those levy limitations. In the appeal the civil taxing unit must state that it will be unable to carry out the governmental functions committed to it by law unless it is given the authority that it is petitioning for. The civil taxing unit must support these allegations by reasonably detailed statements of fact.

(b) The department of local government finance shall ~~promptly deliver to the local government tax control board every appeal petition it receives under subsection (a) and any materials it receives relevant to those appeals. Upon receipt of an appeal petition, the local government tax control board shall~~ immediately proceed to the examination and consideration of the merits of the civil taxing unit's

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1 appeal.

2 (c) In considering an appeal, the ~~local government tax control board~~  
3 **department of local government finance** has the power to conduct  
4 hearings, require any officer or member of the appealing civil taxing  
5 unit to appear before it, or require any officer or member of the  
6 appealing civil taxing unit to provide the ~~board department~~ with any  
7 relevant records or books.

8 (d) If an officer or member:

9 (1) fails to appear at a hearing ~~of the local government tax control~~  
10 ~~board~~ after having been given written notice ~~from the local~~  
11 ~~government tax control board~~ requiring that person's attendance;  
12 or

13 (2) fails to produce ~~for the local government tax control board's~~  
14 ~~use~~ the books and records that the ~~local government tax control~~  
15 ~~board department~~ by written notice required the officer or  
16 member to produce;

17 then the ~~local government tax control board department~~ may file an  
18 affidavit in the circuit court in the jurisdiction in which the officer or  
19 member may be found setting forth the facts of the failure.

20 (e) Upon the filing of an affidavit under subsection (d), the circuit  
21 court shall promptly issue a summons, and the sheriff of the county  
22 within which the circuit court is sitting shall serve the summons. The  
23 summons must command the officer or member to appear before the  
24 ~~local government tax control board department~~ to provide information  
25 to the ~~local government tax control board department~~ or to produce  
26 books and records for the ~~local government tax control board's~~  
27 **department's** use, as the case may be. Disobedience of the summons  
28 constitutes, and is punishable as, a contempt of the circuit court that  
29 issued the summons.

30 (f) All expenses incident to the filing of an affidavit under  
31 subsection (d) and the issuance and service of a summons shall be  
32 charged to the officer or member against whom the summons is issued,  
33 unless the circuit court finds that the officer or member was acting in  
34 good faith and with reasonable cause. If the circuit court finds that the  
35 officer or member was acting in good faith and with reasonable cause  
36 or if an affidavit is filed and no summons is issued, the expenses shall  
37 be charged against the county in which the affidavit was filed and shall  
38 be allowed by the proper fiscal officers of that county.

39 (g) The fiscal officer of a civil taxing unit that appeals under section  
40 16 of this chapter for relief from levy limitations shall immediately file  
41 a copy of the appeal petition with the county auditor and the county  
42 treasurer of the county in which the unit is located.

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1 SECTION 89. IC 6-1.1-18.5-13, AS AMENDED BY P.L.146-2008,  
 2 SECTION 180, IS AMENDED TO READ AS FOLLOWS  
 3 [EFFECTIVE JANUARY 1, 2010]: Sec. 13. With respect to an appeal  
 4 filed under section 12 of this chapter, the ~~local government tax control~~  
 5 ~~board may recommend department may find~~ that a civil taxing unit  
 6 **should** receive any one (1) or more of the following types of relief:

7 (1) Permission to the civil taxing unit to increase its levy in excess  
 8 of the limitations established under section 3 of this chapter, if in  
 9 the judgment of the ~~local government tax control board~~  
 10 **department** the increase is reasonably necessary due to increased  
 11 costs of the civil taxing unit resulting from annexation,  
 12 consolidation, or other extensions of governmental services by the  
 13 civil taxing unit to additional geographic areas or persons. With  
 14 respect to annexation, consolidation, or other extensions of  
 15 governmental services in a calendar year, if those increased costs  
 16 are incurred by the civil taxing unit in that calendar year and more  
 17 than one (1) immediately succeeding calendar year, the unit may  
 18 appeal under section 12 of this chapter for permission to increase  
 19 its levy under this subdivision based on those increased costs in  
 20 any of the following:

- 21 (A) The first calendar year in which those costs are incurred.  
 22 (B) One (1) or more of the immediately succeeding four (4)  
 23 calendar years.

24 (2) A levy increase may not be granted under this subdivision for  
 25 property taxes first due and payable after December 31, 2008.  
 26 Permission to the civil taxing unit to increase its levy in excess of  
 27 the limitations established under section 3 of this chapter, if the  
 28 local government tax control board finds that the civil taxing unit  
 29 needs the increase to meet the civil taxing unit's share of the costs  
 30 of operating a court established by statute enacted after December  
 31 31, 1973. Before recommending such an increase, the local  
 32 government tax control board shall consider all other revenues  
 33 available to the civil taxing unit that could be applied for that  
 34 purpose. The maximum aggregate levy increases that the local  
 35 government tax control board may recommend for a particular  
 36 court equals the civil taxing unit's estimate of the unit's share of  
 37 the costs of operating a court for the first full calendar year in  
 38 which it is in existence. For purposes of this subdivision, costs of  
 39 operating a court include:

- 40 (A) the cost of personal services (including fringe benefits);  
 41 (B) the cost of supplies; and  
 42 (C) any other cost directly related to the operation of the court.

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(3) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the ~~local government tax control board~~ **department** finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and two-hundredths (1.02):

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year. ~~and in which a statewide general reassessment of real property or the initial annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5 does not first become effective.~~

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property and:

(i) for a particular calendar year before 2007, the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year; or

(ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-42 in 2006;

divided by the sum determined under this STEP for the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties and:

(i) for a particular calendar year before 2007, the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year; or

(ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in all counties under IC 6-1.1-12-42 in 2006;

divided by the sum determined under this STEP for the calendar year immediately preceding the particular calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

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1 STEP SIX: Divide the STEP THREE amount by the STEP  
2 FIVE amount.

3 The civil taxing unit may increase its levy by a percentage not  
4 greater than the percentage by which the STEP THREE amount  
5 exceeds the percentage by which the civil taxing unit may  
6 increase its levy under section 3 of this chapter based on the  
7 assessed value growth quotient determined under section 2 of this  
8 chapter.

9 (4) A levy increase may not be granted under this subdivision for  
10 property taxes first due and payable after December 31, 2008.  
11 Permission to the civil taxing unit to increase its levy in excess of  
12 the limitations established under section 3 of this chapter, if the  
13 local government tax control board finds that the civil taxing unit  
14 needs the increase to pay the costs of furnishing fire protection for  
15 the civil taxing unit through a volunteer fire department. For  
16 purposes of determining a township's need for an increased levy,  
17 the local government tax control board shall not consider the  
18 amount of money borrowed under IC 36-6-6-14 during the  
19 immediately preceding calendar year. However, any increase in  
20 the amount of the civil taxing unit's levy recommended by the  
21 local government tax control board under this subdivision for the  
22 ensuing calendar year may not exceed the lesser of:

- 23 (A) ten thousand dollars (\$10,000); or  
24 (B) twenty percent (20%) of:  
25 (i) the amount authorized for operating expenses of a  
26 volunteer fire department in the budget of the civil taxing  
27 unit for the immediately preceding calendar year; plus  
28 (ii) the amount of any additional appropriations authorized  
29 during that calendar year for the civil taxing unit's use in  
30 paying operating expenses of a volunteer fire department  
31 under this chapter; minus  
32 (iii) the amount of money borrowed under IC 36-6-6-14  
33 during that calendar year for the civil taxing unit's use in  
34 paying operating expenses of a volunteer fire department.

35 (5) A levy increase may not be granted under this subdivision for  
36 property taxes first due and payable after December 31, 2008.  
37 Permission to a civil taxing unit to increase its levy in excess of  
38 the limitations established under section 3 of this chapter in order  
39 to raise revenues for pension payments and contributions the civil  
40 taxing unit is required to make under IC 36-8. The maximum  
41 increase in a civil taxing unit's levy that may be recommended  
42 under this subdivision for an ensuing calendar year equals the

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amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(6) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation; and

(B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4. The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

(7) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes.

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However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation.

(8) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

(iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

(v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

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(9) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008.

Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

(i) was issued by a federal district court; and

(ii) has not been terminated;

(C) that operates a county jail that fails to meet:

(i) American Correctional Association Jail Construction Standards; and

(ii) Indiana jail operation standards adopted by the department of correction; or

(D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(10) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract

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with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

(11) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(12) Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

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(13) A levy increase may be granted under this subdivision only for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if the civil taxing unit cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter due to a natural disaster, an accident, or another unanticipated emergency.

SECTION 90. IC 6-1.1-18.5-13.5, AS AMENDED BY P.L.224-2007, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13.5. A levy increase may not be granted under this section for property taxes first due and payable after December 31, 2009. With respect to an appeal filed under section 12 of this chapter, ~~the local government tax control board may recommend that~~ the department of local government finance **may** give permission to a town having a population of more than three hundred seventy-five (375) but less than five hundred (500) located in a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400) to increase its levy in excess of the limitations established under section 3 of this chapter, if the ~~local government tax control board~~ **department** finds that the town needs the increase to pay the costs of furnishing fire protection for the town. However, any increase in the amount of the town's levy ~~recommended by the local government tax control board~~ under this section for the ensuing calendar year may not exceed the greater of:

- (1) twenty-five thousand dollars (\$25,000); or
- (2) twenty percent (20%) of the sum of:
  - (A) the amount authorized for the cost of furnishing fire protection in the town's budget for the immediately preceding calendar year; plus
  - (B) the amount of any additional appropriations authorized under IC 6-1.1-18-5 during that calendar year for the town's use in paying the costs of furnishing fire protection.

SECTION 91. IC 6-1.1-18.5-13.6, AS AMENDED BY P.L.146-2008, SECTION 181, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13.6. A levy increase may not be granted under this section for property taxes first due and payable after December 31, 2008. For an appeal filed under section 12 of this chapter, ~~the local government tax control board may recommend that~~ the department of local government finance **may** give permission to a county to increase its levy in excess of the limitations established

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under section 3 of this chapter if the ~~local government tax control board~~  
**department** finds that the county needs the increase to pay for:

(1) a new voting system; or

(2) the expansion or upgrade of an existing voting system;

under IC 3-11-6.

SECTION 92. IC 6-1.1-18.5-14, AS AMENDED BY P.L.146-2008,  
 SECTION 182, IS AMENDED TO READ AS FOLLOWS  
 [EFFECTIVE JULY 1, 2009]: Sec. 14. (a) ~~The local government tax~~  
~~control board may recommend to~~ The department of local government  
 finance **may order** a correction of any advertising error, mathematical  
 error, or error in data made at the local level for any calendar year **if**  
**the department finds that the error** affects the determination of the  
 limitations established by section 3 of this chapter or the tax rate or  
 levy of a civil taxing unit. The department of local government finance  
 may on its own initiative correct such an advertising error,  
 mathematical error, or error in data for any civil taxing unit.

(b) A correction made under subsection (a) for a prior calendar year  
 shall be applied to the civil taxing unit's levy limitations, rate, and levy  
 for the ensuing calendar year to offset any cumulative effect that the  
 error caused in the determination of the civil taxing unit's levy  
 limitations, rate, or levy for the ensuing calendar year.

SECTION 93. IC 6-1.1-18.5-15, AS AMENDED BY P.L.146-2008,  
 SECTION 183, IS AMENDED TO READ AS FOLLOWS  
 [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) The department of local  
 government finance, upon ~~receiving a recommendation made making~~  
**a finding** under section 13 or 14 of this chapter, shall enter an order  
~~adopting, rejecting, or adopting in part and rejecting in part the~~  
~~recommendation of the local government tax control board: setting~~  
**forth its final determination.**

(b) A civil taxing unit may petition for judicial review of the final  
 determination made by the department of local government finance  
 under subsection (a). The action must be taken to the tax court under  
 IC 6-1.1-15 in the same manner that an action is taken to appeal a final  
 determination of the Indiana board. The petition must be filed in the tax  
 court not more than forty-five (45) days after the department enters its  
 order under subsection (a).

SECTION 94. IC 6-1.1-18.5-16, AS AMENDED BY P.L.146-2008,  
 SECTION 184, IS AMENDED TO READ AS FOLLOWS  
 [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) A civil taxing unit may  
 request permission from the ~~local government tax control board~~  
**department** to impose an ad valorem property tax levy that exceeds the  
 limits imposed by section 3 of this chapter if:

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(1) the civil taxing unit experienced a property tax revenue shortfall that resulted from erroneous assessed valuation figures being provided to the civil taxing unit;

(2) the erroneous assessed valuation figures were used by the civil taxing unit in determining its total property tax rate; and

(3) the error in the assessed valuation figures was found after the civil taxing unit's property tax levy resulting from that total rate was finally approved by the department of local government finance.

(b) A civil taxing unit may request permission from the ~~local government tax control board~~ department to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if the civil taxing unit experienced a property tax revenue shortfall because of the payment of refunds that resulted from appeals under this article and IC 6-1.5.

(c) If the ~~local government tax control board~~ department determines that a shortfall described in subsection (a) or (b) has occurred, it ~~shall recommend to~~ the department of local government finance ~~may find~~ that the civil taxing unit ~~should~~ be allowed to impose a property tax levy exceeding the limit imposed by section 3 of this chapter. ~~and the department may adopt such recommendation.~~ However, the maximum amount by which the civil taxing unit's levy may be increased over the limits imposed by section 3 of this chapter equals the remainder of the civil taxing unit's property tax levy for the particular calendar year as finally approved by the department of local government finance minus the actual property tax levy collected by the civil taxing unit for that particular calendar year.

(d) Any property taxes collected by a civil taxing unit over the limits imposed by section 3 of this chapter under the authority of this section may not be treated as a part of the civil taxing unit's maximum permissible ad valorem property tax levy for purposes of determining its maximum permissible ad valorem property tax levy for future years.

(e) If the department of local government finance authorizes an excess tax levy under this section, it shall take appropriate steps to insure that the proceeds are first used to repay any loan made to the civil taxing unit for the purpose of meeting its current expenses.

SECTION 95. IC 6-1.1-18.5-17, AS AMENDED BY P.L.219-2007, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17. (a) As used in this section, "levy excess" means the part of the ad valorem property tax levy actually collected by a civil taxing unit, for taxes first due and payable during a particular calendar year, that exceeds the civil taxing unit's ad valorem property

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1 tax levy, as approved by the department of local government finance  
 2 under IC 6-1.1-17. The term does not include delinquent ad valorem  
 3 property taxes collected during a particular year that were assessed for  
 4 an assessment date that precedes the assessment date for the current  
 5 year in which the ad valorem property taxes are collected.

6 (b) A civil taxing unit's levy excess is valid and may not be  
 7 contested on the grounds that it exceeds the civil taxing unit's levy limit  
 8 for the applicable calendar year. However, the civil taxing unit shall  
 9 deposit, except as provided in subsections (h) and (i), its levy excess in  
 10 a special fund to be known as the civil taxing unit's levy excess fund.

11 (c) The chief fiscal officer of a civil taxing unit may invest money  
 12 in the civil taxing unit's levy excess fund in the same manner in which  
 13 money in the civil taxing unit's general fund may be invested. However,  
 14 any income derived from investment of the money shall be deposited  
 15 in and becomes a part of the levy excess fund.

16 (d) The department of local government finance shall require a civil  
 17 taxing unit to include the amount in its levy excess fund in the civil  
 18 taxing unit's budget fixed under IC 6-1.1-17.

19 (e) Except as provided by subsection (f), a civil taxing unit may not  
 20 spend any money in its levy excess fund until the expenditure of the  
 21 money has been included in a budget that has been approved by the  
 22 department of local government finance under IC 6-1.1-17. For  
 23 purposes of fixing its budget and for purposes of the ad valorem  
 24 property tax levy limits imposed under this chapter, a civil taxing unit  
 25 shall treat the money in its levy excess fund that the department of local  
 26 government finance permits it to spend during a particular calendar  
 27 year as part of its ad valorem property tax levy for that same calendar  
 28 year.

29 (f) A civil taxing unit may transfer money from its levy excess fund  
 30 to its other funds to reimburse those funds for amounts withheld from  
 31 the civil taxing unit as a result of refunds paid under IC 6-1.1-26.

32 (g) Subject to the limitations imposed by this section, a civil taxing  
 33 unit may use money in its levy excess fund for any lawful purpose for  
 34 which money in any of its other funds may be used.

35 (h) If the amount that would, notwithstanding this subsection, be  
 36 deposited in the levy excess fund of a civil taxing unit for a particular  
 37 calendar year is less than one hundred dollars (\$100), no money shall  
 38 be deposited in the levy excess fund of the unit for that year.

39 (i) This subsection applies only to a civil taxing unit that:

40 (1) has a levy excess for a particular calendar year;

41 (2) in the preceding calendar year experienced a shortfall in  
 42 property tax collections below the civil taxing unit's property tax

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1 levy approved by the department of local government finance  
2 under IC 6-1.1-17; and

3 (3) did not receive permission from the ~~local government tax~~  
4 ~~control board department~~ to impose, because of the shortfall in  
5 property tax collections in the preceding calendar year, a property  
6 tax levy that exceeds the limits imposed by section 3 of this  
7 chapter.

8 The amount that a civil taxing unit subject to this subsection must  
9 transfer to the civil taxing unit's levy excess fund in the calendar year  
10 in which the excess is collected shall be reduced by the amount of the  
11 civil taxing unit's shortfall in property tax collections in the preceding  
12 calendar year (but the reduction may not exceed the amount of the civil  
13 taxing unit's levy excess).

14 SECTION 96. IC 6-1.1-19-1, AS AMENDED BY P.L.146-2008,  
15 SECTION 185, IS AMENDED TO READ AS FOLLOWS  
16 [EFFECTIVE JULY 1, 2009]: Sec. 1. ~~The following definitions apply~~  
17 ~~throughout~~ **As used in** this chapter,

18 (†) "appeal" refers to an appeal taken to the department of local  
19 government finance by or in respect of a school corporation under  
20 any of the following:

21 (A) (1) IC 6-1.1-17.

22 (B) (2) IC 20-43.

23 (2) "Tax control board" means the school property tax control  
24 board established by section 4-† of this chapter.

25 SECTION 97. IC 6-1.1-19-3, AS AMENDED BY P.L.146-2008,  
26 SECTION 186, IS AMENDED TO READ AS FOLLOWS  
27 [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) When an appeal is taken to  
28 the department of local government finance, the department may  
29 exercise the powers described in IC 6-1.1-17 to revise, change, or  
30 increase the budget, tax levy, or tax rate of the appellant school  
31 corporation.

32 (b) The department of local government finance may not exercise  
33 any of the powers described in subsection (a) until it receives,  
34 regarding the appellant school corporation's budget, tax levy, or tax  
35 rate, the recommendation of the tax control board.

36 SECTION 98. IC 6-1.1-19-7, AS AMENDED BY P.L.2-2006,  
37 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
38 JULY 1, 2009]: Sec. 7. (a) Any recommendation that is to be made by  
39 the tax control board to the department of local government finance  
40 under any law that applies to the appeal must be made at the time  
41 prescribed in this chapter.

42 (b) If a time for making a recommendation is not prescribed in this

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chapter, the recommendation must be made at a time that permits the department of local government finance to complete the duties of the department that are set forth in IC 6-1.1-17 within the time allowed by law for the completion of the duties or within the additional time that is reasonably necessary for the department of local government finance and the tax control board to complete the duties set forth in this chapter.

~~(c)~~ (a) A tax levy is not invalid because of the failure of either the tax control board or the department of local government finance to complete its duties within the time or time limits provided by this chapter or any other law.

~~(d)~~ (b) Subject to this chapter, the department of local government finance may

- (1) accept, reject, or accept in part and reject in part any recommendation of the tax control board that is made to the department of local government finance under this chapter; and
- (2) make any order that is consistent with IC 6-1.1-17.

~~(e)~~ (c) A school corporation may petition for judicial review of the final determination of the department of local government finance. under subsection (d). The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order. under subsection (d).

SECTION 99. IC 6-1.1-20-1.9, AS AMENDED BY P.L.146-2008, SECTION 190, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1.9. (a) As used in this chapter, "registered voter" means the following:

- (1) In the case of a petition under section 3.1 of this chapter to initiate a petition and remonstrance process, an individual who is registered to vote in the political subdivision on the date the proper officers of the political subdivision publish notice under section 3.1(b)(2) of this chapter of a preliminary determination by the political subdivision to issue bonds or enter into a lease: **county voter registration board makes the determination under section 3.1(b)(8) of this chapter regarding whether persons who signed the petition are registered voters.**

(2) In the case of:

- (A) a petition under section 3.2 of this chapter in favor of the proposed debt service or lease payments; or
- (B) a remonstrance under section 3.2 of this chapter against the proposed debt service or lease payments;

an individual who is registered to vote in the political subdivision on the date ~~that is thirty (30) days after the notice of the~~

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applicability of the petition and remonstrance process is published under section 3.2(b)(1) of this chapter: the county voter registration board makes the determination under section 3.2(b)(5) of this chapter regarding whether persons who signed the petition or remonstrance are registered voters.

(3) In the case of a petition under section 3.5 of this chapter requesting the application of the local public question process under section 3.6 of this chapter concerning proposed debt service or lease payments, an individual who is registered to vote in the political subdivision on the date the county voter registration board makes the determination under section 3.5(b)(8) of this chapter regarding whether persons who signed the petition are registered voters.

(3) (b) As used in this chapter, in the case of a an election on a public question held under section 3.6 of this chapter, "eligible voter" means an individual who is registered to vote in the political subdivision on the date that is thirty (30) days before the date of eligible to vote in the election in the political subdivision in which the public question will be held, as determined under IC 3.

SECTION 100. IC 6-1.1-20-3.1, AS AMENDED BY P.L.146-2008, SECTION 191, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.1. (a) This section applies only to the following:

(1) A controlled project (as defined in section 1.1 of this chapter as in effect June 30, 2008) for which the proper officers of a political subdivision make a preliminary determination in the manner described in subsection (b) before July 1, 2008.

(2) An elementary school building, middle school building, or other school building for academic instruction that:

(A) is a controlled project;

(B) will be used for any combination of kindergarten through grade 8;

(C) will not be used for any combination of grade 9 through grade 12; and

(D) will not cost more than ten million dollars (\$10,000,000).

(3) A high school building or other school building for academic instruction that:

(A) is a controlled project;

(B) will be used for any combination of grade 9 through grade 12;

(C) will not be used for any combination of kindergarten through grade 8; and

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- 1 (D) will not cost more than twenty million dollars
- 2 (\$20,000,000).
- 3 (4) Any other controlled project that:
- 4 (A) is not a controlled project described in subdivision (1), (2),
- 5 or (3); and
- 6 (B) will not cost the political subdivision more than the lesser
- 7 of the following:
- 8 (i) Twelve million dollars (\$12,000,000).
- 9 (ii) An amount equal to one percent (1%) of the total gross
- 10 assessed value of property within the political subdivision
- 11 on the last assessment date, if that amount is at least one
- 12 million dollars (\$1,000,000).
- 13 (b) A political subdivision may not impose property taxes to pay
- 14 debt service on bonds or lease rentals on a lease for a controlled project
- 15 without completing the following procedures:
- 16 (1) The proper officers of a political subdivision shall:
- 17 (A) publish notice in accordance with IC 5-3-1; and
- 18 (B) send notice by first class mail to any organization that
- 19 delivers to the officers, before January 1 of that year, an annual
- 20 written request for such notices;
- 21 of any meeting to consider adoption of a resolution or an
- 22 ordinance making a preliminary determination to issue bonds or
- 23 enter into a lease and shall conduct a public hearing on a
- 24 preliminary determination before adoption of the resolution or
- 25 ordinance.
- 26 (2) When the proper officers of a political subdivision make a
- 27 preliminary determination to issue bonds or enter into a lease for
- 28 a controlled project, the officers shall give notice of the
- 29 preliminary determination by:
- 30 (A) publication in accordance with IC 5-3-1; and
- 31 (B) first class mail to the organizations described in
- 32 subdivision (1)(B).
- 33 (3) A notice under subdivision (2) of the preliminary
- 34 determination of the political subdivision to issue bonds or enter
- 35 into a lease for a controlled project must include the following
- 36 information:
- 37 (A) The maximum term of the bonds or lease.
- 38 (B) The maximum principal amount of the bonds or the
- 39 maximum lease rental for the lease.
- 40 (C) The estimated interest rates that will be paid and the total
- 41 interest costs associated with the bonds or lease.
- 42 (D) The purpose of the bonds or lease.

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(E) A statement that any owners of real property within the political subdivision or registered voters residing within the political subdivision who want to initiate a petition and remonstrance process against the proposed debt service or lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.

(F) With respect to bonds issued or a lease entered into to open:

(i) a new school facility; or

(ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;

the estimated costs the school corporation expects to incur annually to operate the facility.

(G) A statement of whether the school corporation expects to appeal for a new facility adjustment (as defined in IC 20-45-1-16 before January 1, 2009) for an increased maximum permissible tuition support levy to pay the estimated costs described in clause (F).

(H) The political subdivision's current debt service levy and rate and the estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.

(4) After notice is given, a petition requesting the application of a petition and remonstrance process may be filed by the lesser of:

(A) one hundred (100) persons who are either owners of real property within the political subdivision or registered voters residing within the political subdivision; or

(B) five percent (5%) of the registered voters residing within the political subdivision.

(5) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section. The county voter registration office shall issue to an owner or owners of real property within the political subdivision or a registered voter residing within the political subdivision the number of petition forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:

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- 1 (A) the carrier and signers must be owners of real property or
- 2 registered voters;
- 3 (B) the carrier must be a signatory on at least one (1) petition;
- 4 (C) after the signatures have been collected, the carrier must
- 5 swear or affirm before a notary public that the carrier
- 6 witnessed each signature; and
- 7 (D) govern the closing date for the petition period.
- 8 Persons requesting forms may be required to identify themselves
- 9 as owners of real property or registered voters and may be
- 10 allowed to pick up additional copies to distribute to other property
- 11 owners or registered voters. Each person signing a petition must
- 12 indicate whether the person is signing the petition as a registered
- 13 voter within the political subdivision or is signing the petition as
- 14 the owner of real property within the political subdivision. A
- 15 person who signs a petition as a registered voter must indicate the
- 16 address at which the person is registered to vote. A person who
- 17 signs a petition as a real property owner must indicate the address
- 18 of the real property owned by the person in the political
- 19 subdivision.
- 20 (6) Each petition must be verified under oath by at least one (1)
- 21 qualified petitioner in a manner prescribed by the state board of
- 22 accounts before the petition is filed with the county voter
- 23 registration office under subdivision (7).
- 24 (7) Each petition must be filed with the county voter registration
- 25 office not more than thirty (30) days after publication under
- 26 subdivision (2) of the notice of the preliminary determination.
- 27 (8) The county voter registration office shall determine whether
- 28 each person who signed the petition is a registered voter. The
- 29 county voter registration office shall not more than fifteen (15)
- 30 business days after receiving a petition forward a copy of the
- 31 petition to the county auditor. Not more than ten (10) business
- 32 days after receiving the copy of the petition, the county auditor
- 33 shall provide to the county voter registration office a statement
- 34 verifying:
- 35 (A) whether a person who signed the petition as a registered
- 36 voter but is not a registered voter, as determined by the county
- 37 voter registration office, is the owner of real property in the
- 38 political subdivision; and
- 39 (B) whether a person who signed the petition as an owner of
- 40 real property within the political subdivision does in fact own
- 41 real property within the political subdivision.
- 42 (9) The county voter registration office shall not more than ten

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(10) business days after receiving the statement from the county auditor under subdivision (8) make the final determination of the number of petitioners that are registered voters in the political subdivision and, based on the statement provided by the county auditor, the number of petitioners that own real property within the political subdivision. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular petition and remonstrance process under this chapter, regardless of whether the person owns more than one (1) parcel of real property within the subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of real property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within ~~thirty-five (35)~~ **forty-five (45)** days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of real

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property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

If a sufficient petition requesting a petition and remonstrance process is not filed by owners of real property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

SECTION 101. IC 6-1.1-20-3.2, AS AMENDED BY P.L.146-2008, SECTION 192, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 3.2. (a) This section applies only to controlled projects described in section 3.1(a) of this chapter.

(b) If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, a political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of the political subdivision shall give notice of the applicability of the petition and remonstrance process by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in section 3.1(b)(1)(B) of this chapter.

A notice under this subdivision must include a statement that any owners of real property within the political subdivision or registered voters residing within the political subdivision who want to petition in favor of or remonstrate against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1.

(2) Not earlier than thirty (30) days or later than sixty (60) days after the notice under subdivision (1) is given:

(A) petitions (described in subdivision (3)) in favor of the bonds or lease; and

(B) remonstrances (described in subdivision (3)) against the bonds or lease;

may be filed by an owner or owners of real property within the political subdivision or a registered voter residing within the political subdivision. Each signature on a petition must be dated, and the date of signature may not be before the date on which the

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petition and remonstrance forms may be issued under subdivision (3). A petition described in clause (A) or a remonstrance described in clause (B) must be verified in compliance with subdivision (4) before the petition or remonstrance is filed with the county voter registration office under subdivision (4).

(3) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition and remonstrance forms to be used solely in the petition and remonstrance process described in this section. The county voter registration office shall issue to an owner or owners of real property within the political subdivision or a registered voter residing within the political subdivision the number of petition or remonstrance forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of real property or registered voters;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature;

(D) govern the closing date for the petition and remonstrance period; and

(E) apply to the carrier under section 10 of this chapter.

Persons requesting forms may be required to identify themselves as owners of real property or registered voters and may be allowed to pick up additional copies to distribute to other property owners or registered voters. Each person signing a petition or remonstrance must indicate whether the person is signing the petition or remonstrance as a registered voter within the political subdivision or is signing the petition or remonstrance as the owner of real property within the political subdivision. A person who signs a petition or remonstrance as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition or remonstrance as a real property owner must indicate the address of the real property owned by the person in the political subdivision. The county voter registration office may not issue a petition or remonstrance form earlier than twenty-nine (29) days after the notice is given under subdivision (1). The county voter registration office shall certify the date of issuance on each petition or remonstrance form that is distributed

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under this subdivision.

(4) The petitions and remonstrances must be verified in the manner prescribed by the state board of accounts and filed with the county voter registration office within the sixty (60) day period described in subdivision (2) in the manner set forth in section 3.1 of this chapter relating to requests for a petition and remonstrance process.

(5) The county voter registration office shall determine whether each person who signed the petition or remonstrance is a registered voter. The county voter registration office shall not more than fifteen (15) business days after receiving a petition or remonstrance forward a copy of the petition or remonstrance to the county auditor. Not more than ten (10) business days after receiving the copy of the petition or remonstrance, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition or remonstrance as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of real property in the political subdivision; and

(B) whether a person who signed the petition or remonstrance as an owner of real property within the political subdivision does in fact own real property within the political subdivision.

(6) The county voter registration office shall not more than ten (10) business days after receiving the statement from the county auditor under subdivision (5) make the final determination of:

(A) the number of registered voters in the political subdivision that signed a petition and, based on the statement provided by the county auditor, the number of owners of real property within the political subdivision that signed a petition; and

(B) the number of registered voters in the political subdivision that signed a remonstrance and, based on the statement provided by the county auditor, the number of owners of real property within the political subdivision that signed a remonstrance.

Whenever the name of an individual who signs a petition or remonstrance as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition or remonstrance under this section. Except as otherwise provided in this chapter, in determining whether an

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individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition or remonstrance only one (1) time in a particular petition and remonstrance process under this chapter, regardless of whether the person owns more than one (1) parcel of real property within the subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of real property within the political subdivision. Notwithstanding any other provision of this section, if a petition or remonstrance is presented to the county voter registration office within ~~thirty-five (35)~~ **forty-five (45)** days before an election, the county voter registration office may defer acting on the petition or remonstrance, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(7) The county voter registration office must file a certificate and the petition or remonstrance with the body of the political subdivision charged with issuing bonds or entering into leases within thirty-five (35) business days of the filing of a petition or remonstrance under subdivision (4), whichever applies, containing ten thousand (10,000) signatures or less. The county voter registration office may take an additional five (5) days to review and certify the petition or remonstrance for each additional five thousand (5,000) signatures up to a maximum of sixty (60) days. The certificate must state the number of petitioners and remonstrators that are owners of real property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

(8) If a greater number of persons who are either owners of real property within the political subdivision or registered voters residing within the political subdivision sign a remonstrance than the number that signed a petition, the bonds petitioned for may not be issued or the lease petitioned for may not be entered into. The proper officers of the political subdivision may not make a preliminary determination to issue bonds or enter into a lease for the controlled project defeated by the petition and remonstrance process under this section or any other controlled project that is

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not substantially different within one (1) year after the date of the county voter registration office's certificate under subdivision (7). Withdrawal of a petition carries the same consequences as a defeat of the petition.

(9) After a political subdivision has gone through the petition and remonstrance process set forth in this section, the political subdivision is not required to follow any other remonstrance or objection procedures under any other law (including section 5 of this chapter) relating to bonds or leases designed to protect owners of real property within the political subdivision from the imposition of property taxes to pay debt service or lease rentals. However, the political subdivision must still receive the approval of the department of local government finance if required by:

(A) IC 6-1.1-18.5-8; or

(B) IC 20-46-7-8, IC 20-46-7-9, and IC 20-46-7-10.

SECTION 102. IC 6-1.1-20-3.5, AS ADDED BY P.L.146-2008, SECTION 193, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. (a) This section applies only to a controlled project that meets the following conditions:

(1) The controlled project is described in one (1) of the following categories:

(A) An elementary school building, middle school building, or other school building for academic instruction that:

(i) will be used for any combination of kindergarten through grade 8;

(ii) will not be used for any combination of grade 9 through grade 12; and

(iii) will cost more than ten million dollars (\$10,000,000).

(B) A high school building or other school building for academic instruction that:

(i) will be used for any combination of grade 9 through grade 12;

(ii) will not be used for any combination of kindergarten through grade 8; and

(iii) will cost more than twenty million dollars (\$20,000,000).

(C) Any other controlled project that:

(i) is not a controlled project described in clause (A) or (B); and

(ii) will cost the political subdivision more than the lesser of twelve million dollars (\$12,000,000) or an amount equal to one percent (1%) of the total gross assessed value of

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property within the political subdivision on the last assessment date (if that amount is at least one million dollars (\$1,000,000)).

(2) The proper officers of the political subdivision make a preliminary determination after June 30, 2008, in the manner described in subsection (b) to issue bonds or enter into a lease for the controlled project.

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to any organization that delivers to the officers, before January 1 of that year, an annual written request for notices of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on the preliminary determination before adoption of the ordinance or resolution. The political subdivision must make the following information available to the public at the public hearing on the preliminary determination, in addition to any other information required by law:

(A) The result of the political subdivision's current and projected annual debt service payments divided by the net assessed value of taxable property within the political subdivision.

(B) The result of:

(i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the political subdivision; divided by

(ii) the net assessed value of taxable property within the political subdivision.

**(C) The information specified in subdivision (3)(A) through (3)(G).**

(2) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in subdivision (1).

(3) A notice under subdivision (2) of the preliminary

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determination of the political subdivision to issue bonds or enter into a lease must include the following information:

- (A) The maximum term of the bonds or lease.
- (B) The maximum principal amount of the bonds or the maximum lease rental for the lease.
- (C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.
- (D) The purpose of the bonds or lease.
- (E) A statement that the proposed debt service or lease payments must be approved in an election on a local public question held under section 3.6 of this chapter.
- (F) With respect to bonds issued or a lease entered into to open:

- (i) a new school facility; or
  - (ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;
- the estimated costs the school corporation expects to annually incur to operate the facility.

(G) The political subdivision's current debt service levy and rate and the estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.

**(H) The information specified in subdivision (1)(A) through (1)(B).**

(4) After notice is given, a petition requesting the application of the local public question process under section 3.6 of this chapter may be filed by the lesser of:

- (A) one hundred (100) persons who are either owners of real property within the political subdivision or registered voters residing within the political subdivision; or
- (B) five percent (5%) of the registered voters residing within the political subdivision.

(5) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section. The county voter registration office shall issue to an owner or owners of real property within the political subdivision or a registered voter residing within the political subdivision the number of petition forms requested by the owner or owners or the registered voter.

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Each form must be accompanied by instructions detailing the requirements that:

- (A) the carrier and signers must be owners of real property or registered voters;
- (B) the carrier must be a signatory on at least one (1) petition;
- (C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and
- (D) govern the closing date for the petition period.

Persons requesting forms may be required to identify themselves as owners of real property or registered voters and may be allowed to pick up additional copies to distribute to other property owners or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of real property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as a real property owner must indicate the address of the real property owned by the person in the political subdivision.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county voter registration office under subdivision (7).

(7) Each petition must be filed with the county voter registration office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county voter registration office shall determine whether each person who signed the petition is a registered voter. However, after the county voter registration office has determined that at least one hundred twenty-five (125) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least one hundred twenty-five (125) persons who signed the petition are registered voters, the county voter registration office, not more than fifteen (15) business days after receiving a petition, shall forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide

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to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of real property in the political subdivision; and

(B) whether a person who signed the petition as an owner of real property within the political subdivision does in fact own real property within the political subdivision.

(9) The county voter registration office, not more than ten (10) business days after determining that at least one hundred twenty-five (125) persons who signed the petition are registered voters or after receiving the statement from the county auditor under subdivision (8) (as applicable), shall make the final determination of whether a sufficient number of persons have signed the petition. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular referendum process under this chapter, regardless of whether the person owns more than one (1) parcel of real property within the political subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of real property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within ~~thirty-five (35)~~ **forty-five (45)** days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

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(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting the referendum process. The certificate must state the number of petitioners who are owners of real property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

(11) If a sufficient petition requesting the local public question process is not filed by owners of real property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

(c) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall provide to the county auditor:

(1) a copy of the notice required by subsection (b)(2); and

(2) any other information the county auditor requires to fulfill the county auditor's duties under section 3.6 of this chapter.

SECTION 103. IC 6-1.1-20-3.6, AS ADDED BY P.L.146-2008, SECTION 194, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 3.6. (a)

**Except as provided in section 3.7 of this chapter**, this section applies only to a controlled project described in section 3.5(a) of this chapter.

(b) If a sufficient petition requesting the application of the local public question process has been filed as set forth in section 3.5 of this chapter, a political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project unless the political subdivision's proposed debt service or lease rental is approved in an election on a local public question held under this section.

(c) **Except as provided in subsection (j)**, the following question shall be submitted to the **eligible** voters at the election conducted under this section:

"Shall \_\_\_\_\_ (insert the name of the political subdivision) issue bonds or enter into a lease to finance \_\_\_\_\_ (insert the description of the controlled project, **the total cost of the project, and the estimated increase in the property tax rate for debt service (as determined by the department of local**

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government finance))?".

(d) The county auditor shall certify the public question described in subsection (c) under IC 3-10-9-3 to the county election board of each county in which the political subdivision is located. After the public question is certified, The certification must occur not later than noon:

(1) sixty (60) days before a primary election if the public question is to be placed on the primary or municipal primary election ballot; or

(2) August 1 if the public question is to be placed on the general or municipal election ballot.

Subject to the certification requirements and deadlines under this subsection and except as provided in subsection (j), the public question shall be placed on the ballot at the next primary election, general election, or municipal election in which all voters of the political subdivision are entitled to vote. However, if a primary election, general election, or municipal election will not be held in the six (6) month period after the county auditor certifies during the first year in which the public question is eligible to be placed on the ballot under this section and if the political subdivision requests the public question to be placed on the ballot at a special election, the public question shall be placed on the ballot at a special election to be held

(1) not earlier than ninety (90) days; and

(2) not later than one hundred twenty (120) days;

after the public question is certified if the fiscal body of the political subdivision that wishes to issue the bonds or enter into the lease requests the public question to be voted on in a special election. However, in a year in which a general election or municipal election is held, the public question may be placed on the ballot at a special election only if the fiscal body of the political subdivision that requests the special election on the first Tuesday after the first Monday in May or November of the year. The certification must occur not later than noon sixty (60) days before a special election to be held in May (if the special election is to be held in May) or noon on August 1 (if the special election is to be held in November). However, a special election may be held only if the fiscal body of the political subdivision that requests the special election agrees to pay the costs of holding the special election. In a year in which a general election is not held and a municipal election is not held, the fiscal body of the political subdivision that requests the special election is not required to pay the costs of holding the special election. The

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1 county election board shall give notice under IC 5-3-1 of a special  
 2 election conducted under this subsection. A special election conducted  
 3 under this subsection is under the direction of the county election  
 4 board. The county election board shall take all steps necessary to carry  
 5 out the special election.

6 (e) The circuit court clerk shall certify the results of the public  
 7 question to the following:

8 (1) The county auditor of each county in which the political  
 9 subdivision is located.

10 (2) The department of local government finance.

11 (f) Subject to the requirements of IC 6-1.1-18.5-8, the political  
 12 subdivision may issue the proposed bonds or enter into the proposed  
 13 lease rental if a majority of the **eligible** voters voting on the public  
 14 question vote in favor of the public question.

15 (g) If a majority of the **eligible** voters voting on the public question  
 16 vote in opposition to the public question, both of the following apply:

17 (1) The political subdivision may not issue the proposed bonds or  
 18 enter into the proposed lease rental.

19 (2) Another public question under this section on the same or a  
 20 substantially similar project may not be submitted to the voters  
 21 earlier than one (1) year after the date of the election.

22 (h) IC 3, to the extent not inconsistent with this section, applies to  
 23 an election held under this section.

24 (i) A political subdivision may not artificially divide a capital  
 25 project into multiple capital projects in order to avoid the requirements  
 26 of this section and section 3.5 of this chapter.

27 **(j) This subsection applies to a political subdivision for which a**  
 28 **petition requesting a public question has been submitted under**  
 29 **section 3.5 of this chapter. The legislative body (as defined in**  
 30 **IC 36-1-2-9) of the political subdivision may adopt a resolution to**  
 31 **withdraw a controlled project from consideration at a public**  
 32 **question. If the legislative body provides a certified copy of the**  
 33 **resolution to the county auditor and the county election board not**  
 34 **later than forty-nine (49) days before the election at which the**  
 35 **public question would be on the ballot, the public question on the**  
 36 **controlled project shall not be placed on the ballot and the public**  
 37 **question on the controlled project shall not be held, regardless of**  
 38 **whether the county auditor has certified the public question to the**  
 39 **county election board. If the withdrawal of a public question under**  
 40 **this subsection requires the county election board to reprint**  
 41 **ballots, the political subdivision withdrawing the public question**  
 42 **shall pay the costs of reprinting the ballots. If a political**

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subdivision withdraws a public question under this subsection that would have been held at a special election and the county election board has printed the ballots before the legislative body of the political subdivision provides a certified copy of the withdrawal resolution to the county auditor and the county election board, the political subdivision withdrawing the public question shall pay the costs incurred by the county in printing the ballots. If a public question on a controlled project is withdrawn under this subsection, a public question under this section on the same controlled project or a substantially similar controlled project may not be submitted to the voters earlier than one (1) year after the date the resolution withdrawing the public question is adopted.

(k) If a public question regarding a controlled project is placed on the ballot to be voted on at a public question under this section, the department of local government finance shall post the following information regarding the proposed controlled project on the department's Internet web site:

- (1) The cost per square foot of any buildings being constructed as part of the controlled project.
- (2) The effect that approval of the controlled project would have on the political subdivision's property tax rate.
- (3) The maximum term of the bonds or lease.
- (4) The maximum principal amount of the bonds or the maximum lease rental for the lease.
- (5) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.
- (6) The purpose of the bonds or lease.
- (7) In the case of a controlled project proposed by a school corporation:
  - (A) the current and proposed square footage of school building space per student;
  - (B) enrollment patterns within the school corporation; and
  - (C) the age and condition of the current school facilities.

SECTION 104. IC 6-1.1-20-3.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.7. (a) This section applies to the following:**

- (1) The issuance of bonds or the entering into a lease for a controlled project:
  - (A) to which section 3.5 of this chapter applies; and
  - (B) for which a sufficient petition requesting the application of the local public question process under

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section 3.6 of this chapter has not been filed as set forth in section 3.5 of this chapter within the time required under section 3.5(b)(7) of this chapter.

(2) The issuance of bonds or the entering into a lease for a capital project:

(A) that is not a controlled project to which section 3.5 of this chapter applies; and

(B) that would, but for the application of section 1.1(6) of this chapter to the project, be a controlled project to which section 3.5 of this chapter applies.

(b) If the proper officers of a political subdivision make a preliminary determination to issue bonds described in subsection (a) or enter into a lease described in subsection (a), the fiscal body of the political subdivision may adopt a resolution specifying that the local public question process specified in section 3.6 of this chapter applies to the issuance of the bonds or the entering into the lease, notwithstanding that:

(1) a sufficient petition requesting the application of the local public question process under section 3.6 of this chapter has not been filed as set forth in section 3.5 of this chapter (in the case of bonds or a lease described in subsection (a)(1)); or

(2) because of the application of section 1.1(6) of this chapter, the bonds or lease is not considered to be issued or entered into for a controlled project (in the case of bonds or a lease described in subsection (a)(2)).

(c) The following apply to the adoption of a resolution by the fiscal body of a political subdivision under subsection (b):

(1) In the case of bonds or a lease described in subsection (a)(1) and for which no petition requesting the application of the local public question process under section 3.6 of this chapter has been filed within the time required under section 3.5(b)(7) of this chapter, the fiscal body must adopt the resolution not more than sixty (60) days after publication of the notice of the preliminary determination to issue the bonds or enter into the lease.

(2) In the case of bonds or a lease described in subsection (a)(1) for which a petition requesting the application of the local public question process under section 3.6 of this chapter:

(A) has been filed under section 3.5 of this chapter; and

(B) is determined to have an insufficient number of signatures to require application of the local public question process under section 3.6 of this chapter;

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the fiscal body must adopt the resolution not more than thirty (30) days after the county voter registration office makes the final determination under section 3.5 of this chapter that a sufficient number of persons have not signed the petition.

(3) In the case of bonds or a lease described in subsection (a)(2), the fiscal body must adopt the resolution not more than thirty (30) days after publication of the notice of the preliminary determination to issue the bonds or enter into the lease.

(4) The fiscal body shall certify the resolution to the county election board of each county in which the political subdivision is located, and the county election board shall place the public question on the ballot as provided in section 3.6 of this chapter.

(d) Except to the extent it is inconsistent with this section, section 3.6 of this chapter applies to a local public question placed on the ballot under this section.

SECTION 105. IC 6-1.1-20.6-2, AS AMENDED BY P.L.146-2008, SECTION 215, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2. (a) As used in this chapter, "homestead" ~~has the meaning set forth in~~ refers to a homestead that is eligible for a standard deduction under IC 6-1.1-12-37.

(b) The term includes a house or apartment that is owned or leased by a cooperative housing corporation (as defined in 26 U.S.C. 216(b)).

SECTION 106. IC 6-1.1-20.6-8.5, AS ADDED BY P.L.146-2008, SECTION 225, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 8.5. (a) This section applies to property taxes first due and payable for a calendar year after ~~December 31, 2008~~. This section applies to an individual who:

(1) qualified for a standard deduction granted under IC 6-1.1-12-37 for the individual's homestead property in the immediately preceding calendar year (or was married at the time of death to a deceased spouse who qualified for a standard deduction granted under IC 6-1.1-12-37 for the individual's homestead property in the immediately preceding calendar year); ~~and~~

(2) qualifies for a standard deduction granted under IC 6-1.1-12-37 for the same homestead property in the current calendar year;

(3) is or will be at least sixty-five (65) years of age on or before

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December 31 of the calendar year immediately preceding the current calendar year; and

(4) had:

(A) in the case of an individual who filed a single return, adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding thirty thousand dollars (\$30,000); or

(B) in the case of an individual who filed a joint income tax return with the individual's spouse, combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding forty thousand dollars (\$40,000);

for the calendar year preceding by two (2) years the calendar year in which property taxes are first due and payable.

(b) This section does not apply if the gross assessed value of the homestead on the assessment date for which property taxes are imposed is at least one hundred sixty thousand dollars (\$160,000).

(c) An individual is entitled to an additional credit under this section for property taxes first due and payable for a calendar year on a homestead if:

(1) the individual and the homestead ~~qualifies as qualified homestead property~~ qualify for the credit under subsection (a) for the calendar year;

(2) the homestead is not disqualified for the credit under subsection (b) for the calendar year; and

(3) the filing requirements under subsection (e) are met.

(d) The amount of the credit is equal to the greater of zero (0) or the result of:

(1) the property tax liability first due and payable on the ~~qualified~~ homestead property for the calendar year; minus

(2) the result of:

(A) the property tax liability first due and payable on the qualified homestead property for the immediately preceding year; multiplied by

(B) one and two hundredths (1.02).

However, property tax liability imposed on any improvements to or expansion of the homestead property after the assessment date for which property tax liability described in subdivision (2) was imposed shall not be considered in determining the credit granted under this section in the current calendar year.

~~(d) The following adjusted gross income limits apply to an individual who claims a credit under this section:~~

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(1) In the case of an individual who files a single return, the adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual claiming the exemption may not exceed thirty thousand dollars (\$30,000).

(2) In the case of an individual who files a joint income tax return with the individual's spouse, the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual and the individual's spouse may not exceed forty thousand dollars (\$40,000).

(e) Applications for a credit under this section shall be filed in the manner provided for an application for a deduction under IC 6-1.1-12-9. However, an individual who remains eligible for the credit in the following year is not required to file a statement to apply for the credit in the following year. An individual who receives a credit under this section in a particular year and who becomes ineligible for the credit in the following year shall notify the auditor of the county in which the homestead is located of the individual's ineligibility ~~before June 11 of the year in which~~ **not later than sixty (60) days after** the individual becomes ineligible.

(f) The auditor of each county shall, in a particular year, apply a credit provided under this section to each individual who received the credit in the preceding year unless the auditor determines that the individual is no longer eligible for the credit.

SECTION 107. IC 6-1.1-21.2-12, AS AMENDED BY P.L.146-2008, SECTION 239, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) This section applies if the tax increment replacement amount for an allocation area in a district is greater than zero (0).

(b) A governing body may, after a public hearing, do the following:

(1) Impose a special assessment on the owners of property that is located in an allocation area to raise an amount not to exceed the tax increment replacement amount.

(2) Impose a tax on all taxable property in the district in which the governing body exercises jurisdiction to raise an amount not to exceed the tax increment replacement amount.

(3) Reduce the base assessed value of property in the allocation area to an amount that is sufficient to increase the tax increment revenues in the allocation area by an amount that does not exceed the tax increment replacement amount.

(c) The governing body shall submit a proposed special assessment or tax levy under this section to the legislative body of the unit that established the district. The legislative body may:

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- (1) reduce the amount of the special assessment or tax to be levied under this section;
- (2) determine that no special assessment or property tax should be levied under this section; or
- (3) increase the special assessment or tax to the amount necessary to fully fund the tax increment replacement amount.

(d) Before a public hearing under subsection (b) may be held, the governing body must publish notice of the hearing under IC 5-3-1. The notice must also be sent to the fiscal officer of each political subdivision that is located in any part of the district. The notice must state that the governing body will meet to consider whether a special assessment or tax should be imposed under this chapter and whether the special assessment or tax will help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. The notice must also specify a date when the governing body will receive and hear remonstrances and objections from persons affected by the special assessment. All persons affected by the hearing, including all taxpayers within the allocation area, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, and orders of the governing body by the notice. At the hearing, which may be adjourned from time to time, the governing body shall hear all persons affected by the proceedings and shall consider all written remonstrances and objections that have been filed. The only grounds for remonstrance or objection are that the special assessment or tax will not help the governing body realize the redevelopment or economic development objectives for the allocation area or honor its obligations related to the allocation area. After considering the evidence presented, the governing body shall take final action concerning the proposed special assessment or tax. The final action taken by the governing body shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by subsection (e).

(e) A person who filed a written remonstrance with a governing body under subsection (d) and is aggrieved by the final action taken may, within ten (10) days after that final action, file in the office of the clerk of the circuit or superior court a copy of the order of the governing body and the person's remonstrance or objection against that final action, together with a bond conditioned to pay the costs of appeal if the appeal is determined against the person. The only ground of remonstrance or objection that the court may hear is whether the proposed special assessment or tax will help achieve the redevelopment or economic development objectives for the allocation area or honor its

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obligations related to the allocation area. An appeal under this subsection shall be promptly heard by the court without a jury. All remonstrances or objections upon which an appeal has been taken must be consolidated, heard, and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the remonstrances or objections and may confirm the final action of the governing body or sustain the remonstrances or objections. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

**(f) This section applies to a governing body that:**

**(1) is the metropolitan development commission for a county having a consolidated city; and**

**(2) has established an allocation area and pledged tax increment revenues from the area to the payment of bonds, leases, or other obligations before May 8, 1989.**

**Notwithstanding subsections (a) through (e), the governing body may determine to fund that part of the tax increment replacement amount attributable to the repeal of IC 36-7-15.1-26.5, IC 36-7-15.1-26.7, and IC 36-7-15.1-26.9 from property taxes on personal property (as defined in IC 6-1.1-1-11). If the governing body makes such a determination, the property taxes on personal property in the amount determined under this subsection shall be allocated to the redevelopment district, paid into the special fund for the allocation area, and used for the purposes specified in IC 36-7-15.1-26.**

SECTION 108. IC 6-1.1-21.2-15, AS AMENDED BY P.L.146-2008, SECTION 240, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:  
Sec. 15. (a) As the special assessment or tax imposed under this chapter is collected by the county treasurer, it shall be transferred to the governing body and accumulated and kept in the special fund for the allocation area.

(b) A special assessment or tax levied under this chapter is not subject to IC 6-1.1-20.

(c) A special assessment or tax levied under this chapter and the use of revenues from a special assessment or tax levied under this chapter by a governing body do not create a constitutional or statutory debt, pledge, or obligation of the governing body, the district, or any county, city, town, or township.

**(d) The ad valorem property tax levy limits imposed by IC 6-1.1-18.5-3 or another provision of IC 6-1.1-18.5 do not apply to a special assessment or tax imposed under this chapter. For**

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purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under IC 6-1.1-18.5-3 or another provision of IC 6-1.1-18.5, the civil taxing unit's ad valorem property tax levy for a particular calendar year does not include a special assessment or tax imposed under this chapter.

SECTION 109. IC 6-1.1-22-5, AS AMENDED BY P.L.146-2008, SECTION 250, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) Except as provided in subsections (b) and (c), on or before March 15 of each year, the county auditor shall prepare and deliver to the auditor of state and the county treasurer a certified copy of an abstract of the property, assessments, taxes, deductions, and exemptions for taxes payable in that year in each taxing district of the county. The county auditor shall prepare the abstract in such a manner that the information concerning property tax deductions reflects the total amount of each type of deduction. The abstract shall also contain a statement of the taxes and penalties unpaid in each taxing unit at the time of the last settlement between the county auditor and county treasurer and the status of these delinquencies. The county auditor shall prepare the abstract on the form prescribed by the state board of accounts. The auditor of state, county auditor, and county treasurer shall each keep a copy of the abstract as a public record.

(b) If the county auditor receives a copy of an appeal petition under ~~IC 6-1.1-18.5-12(d)~~ **IC 6-1.1-18.5-12(g)** before the county auditor prepares and delivers the certified copy of the abstract under subsection (a), the county auditor shall prepare and deliver the certified copy of the abstract when the appeal is resolved by the department of local government finance.

(c) If the county auditor receives a copy of an appeal petition under ~~IC 6-1.1-18.5-12(d)~~ **IC 6-1.1-18.5-12(g)** after the county auditor prepares and delivers the certified copy of the abstract under subsection (a), the county auditor shall prepare and deliver a certified copy of a revised abstract when the appeal is resolved by the department of local government finance that reflects the action of the department.

SECTION 110. IC 6-1.1-22-8.1, AS AMENDED BY HEA 1198-2009, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 8.1. ~~(a) This section applies only to property taxes and special assessments first due and payable after December 31, 2007.~~

~~(b)~~ **(a)** The county treasurer shall:

- (1) mail to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known

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address of the most recent owner shown in the transfer book; and  
 (2) transmit by written, electronic, or other means to a mortgagee  
 maintaining an escrow account for a person who is liable for any  
 property taxes or special assessments, as shown on the tax  
 duplicate or special assessment records;

a statement in the form required under subsection (c). ~~However, for~~  
~~property taxes first due and payable in 2008, the county treasurer may~~  
~~choose to use a tax statement that is different from the tax statement~~  
~~prescribed by the department under subsection (c). If a county chooses~~  
~~to use a different tax statement, the county must still transmit (with the~~  
~~tax bill) the statement in either color type or black-and-white type. (b).~~

~~(c)~~ (b) The department of local government finance shall prescribe  
 a form ~~subject to the approval of the state board of accounts, for the~~  
 statement under subsection ~~(b)~~ (a) that includes at least the following:

(1) A statement of the taxpayer's current and delinquent taxes and  
 special assessments.

(2) A breakdown showing the total property tax and special  
 assessment liability and the amount of the taxpayer's liability that  
 will be distributed to each taxing unit in the county.

(3) An itemized listing, ~~for each property tax levy, including:~~

~~(A) the amount of the tax rate;~~

~~(B) (A) the entity levying the tax owed; and~~

~~(C) (B) the dollar amount of the tax owed.~~

(4) Information designed to show the manner in which the taxes  
 and special assessments billed in the tax statement are to be used.

(5) A comparison showing any change in the assessed valuation  
 for the property as compared to the previous year.

(6) A comparison showing any change in the property tax and  
 special assessment liability for the property as compared to the  
 previous year. The information required under this subdivision  
 must identify

~~(A) the amount of the taxpayer's liability distributable to each~~  
~~taxing unit in which the property is located in the current year~~  
~~and in the previous year. and~~

~~(B) the percentage change, if any, in the amount of the~~  
~~taxpayer's liability distributable to each taxing unit in which~~  
~~the property is located from the previous year to the current~~  
~~year.~~

(7) An explanation of the following:

(A) The homestead credit and all property tax deductions.

(B) The procedure and deadline for filing for the homestead  
 credit and each deduction.

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1 (C) The procedure that a taxpayer must follow to:  
 2 (i) appeal a current assessment; or  
 3 (ii) petition for the correction of an error related to the  
 4 taxpayer's property tax and special assessment liability.  
 5 (D) The forms that must be filed for an appeal or a petition  
 6 described in clause (C).  
 7 The department of local government finance shall provide the  
 8 explanation required by this subdivision to each county treasurer.  
 9 (8) A checklist that shows:  
 10 (A) the homestead credit and all property tax deductions; and  
 11 (B) whether the homestead credit and each property tax  
 12 deduction applies in the current statement for the property  
 13 transmitted under subsection ~~(b)~~: **(a)**.  
 14 ~~(d)~~ **(c)** The county treasurer may mail or transmit the statement one  
 15 (1) time each year at least fifteen (15) days before the date on which  
 16 the first or only installment is due. Whenever a person's tax liability for  
 17 a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of  
 18 this chapter, a statement that is mailed must include the date on which  
 19 the installment is due and denote the amount of money to be paid for  
 20 the installment. Whenever a person's tax liability is due in two (2)  
 21 installments, a statement that is mailed must contain the dates on which  
 22 the first and second installments are due and denote the amount of  
 23 money to be paid for each installment.  
 24 ~~(e)~~ **(d)** All payments of property taxes and special assessments shall  
 25 be made to the county treasurer. The county treasurer, when authorized  
 26 by the board of county commissioners, may open temporary offices for  
 27 the collection of taxes in cities and towns in the county other than the  
 28 county seat.  
 29 ~~(f)~~ **(e)** The county treasurer, county auditor, and county assessor  
 30 shall cooperate to generate the information to be included in the  
 31 statement under subsection ~~(e)~~: **(b)**.  
 32 ~~(g)~~ **(f)** The information to be included in the statement under  
 33 subsection ~~(e)~~: **(b)** must be simply and clearly presented and  
 34 understandable to the average individual.  
 35 ~~(h)~~ **(g)** After December 31, 2007, a reference in a law or rule to  
 36 IC 6-1.1-22-8 (expired January 1, 2008, and repealed) shall be treated  
 37 as a reference to this section.  
 38 SECTION 111. IC 6-1.1-22-9, AS AMENDED BY P.L.146-2008,  
 39 SECTION 252, IS AMENDED TO READ AS FOLLOWS  
 40 [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 9. (a)  
 41 Except as provided in ~~subsections~~ **subsection (b)**, and ~~(e)~~ the property  
 42 taxes assessed for a year under this article are due in two (2) equal

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installments on May 10 and November 10 of the following year.

(b) Subsection (a) does not apply if any of the following apply to the property taxes assessed for the year under this article:

(1) Subsection (c).

(2) Subsection (d).

~~(3) Subsection (h).~~

~~(4) Subsection (i).~~

~~(5) (3) IC 6-1.1-7-7.~~

~~(6) (4) Section 9.5 of this chapter.~~

**(5) Section 9.7 of this chapter.**

**(6) IC 6-1.1-7-7.**

**(7) IC 6-1.1-22.5-12.**

(c) A county council may adopt an ordinance to require a person to pay the person's property tax liability in one (1) installment, if the tax liability for a particular year is less than twenty-five dollars (\$25). If the county council has adopted such an ordinance, then whenever a tax statement mailed under section 8.1 of this chapter shows that the person's property tax liability for a year is less than twenty-five dollars (\$25) for the property covered by that statement, the tax liability for that year is due in one (1) installment on May 10 of that year.

(d) If the county treasurer receives a copy of an appeal petition under ~~IC 6-1.1-18.5-12~~ **IC 6-1.1-18.5-12** before the county treasurer mails or transmits statements under section ~~8.1(b)~~ **8.1** of this chapter, the county treasurer may:

(1) mail or transmit the statements without regard to the pendency of the appeal and, if the resolution of the appeal by the department of local government finance results in changes in levies, mail or transmit reconciling statements under subsection (e); or

(2) delay the mailing or transmission of statements under section ~~8.1(b)~~ **8.1(a)** of this chapter so that:

(A) the due date of the first installment that would otherwise be due under subsection (a) is delayed by not more than sixty (60) days; and

(B) all statements reflect any changes in levies that result from the resolution of the appeal by the department of local government finance.

(e) A reconciling statement under subsection (d)(1) must indicate:

(1) the total amount due for the year;

(2) the total amount of the installments paid that did not reflect the resolution of the appeal under ~~IC 6-1.1-18.5-12~~ **IC 6-1.1-18.5-12** by the department of local government finance;

(3) if the amount under subdivision (1) exceeds the amount under

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subdivision (2), the adjusted amount that is payable by the taxpayer:

(A) as a final reconciliation of all amounts due for the year; and

(B) not later than:

(i) November 10; or

(ii) the date or dates established under section 9.5 of this chapter; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(f) If property taxes are not paid on or before the due date, the penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent taxes.

(g) Notwithstanding any other law, a property tax liability of less than five dollars (\$5) is increased to five dollars (\$5). The difference between the actual liability and the five dollar (\$5) amount that appears on the statement is a statement processing charge. The statement processing charge is considered a part of the tax liability.

SECTION 112. IC 6-1.1-22.5-8, AS ADDED BY P.L.1-2004, SECTION 37, AND AS ADDED BY P.L.23-2004, SECTION 40, AND AMENDED BY P.L.219-2007, SECTION 65, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:  
Sec. 8. A provisional statement must:

(1) be on a form ~~approved by the state board of accounts;~~  
**prescribed by the department of local government finance;**

(2) except as provided in emergency rules adopted under section 20 of this chapter:

(A) indicate tax liability in the amount of ~~ninety percent (90%)~~  
**not more than one hundred percent (100%)** of the tax liability that was payable in the same year as the assessment date for the property for which the provisional statement is issued; **and**

(B) **include any adjustments to the tax liability as prescribed by the department of local government finance;**

(3) indicate:

(A) that the tax liability under the provisional statement is determined as described in subdivision (2); and

(B) that property taxes billed on the provisional statement:

(i) are due and payable in the same manner as property taxes billed on a tax statement under ~~IC 6-1.1-22-8;~~  
**IC 6-1.1-22-8.1;** and

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(ii) will be credited against a reconciling statement;  
 (4) include ~~the following~~ a statement in the following or a substantially similar form, as determined by the department of local government finance:

"Under Indiana law, \_\_\_\_\_ County (insert county) has elected to send provisional statements because the county did not complete the abstract of the property, assessments, taxes, deductions, and exemptions for taxes payable in (insert year) in each taxing district before March 16, (insert year). The statement is due to be paid in installments on ~~May 10~~ \_\_\_\_\_ (insert date) and \_\_\_\_\_ ~~November 10~~ (insert date). The statement is based on ~~ninety~~ \_\_\_\_\_ percent (~~90%~~) (  %) (insert percent) of your tax liability for taxes payable in (insert year), subject to **any adjustment to the tax liability as prescribed by the department of local government finance and adjustment** for any new construction on your property *or any damage to your property*. After the abstract of property is complete, you will receive a reconciling statement in the amount of your actual tax liability for taxes payable in (insert year), minus the amount you pay under this provisional statement.";

(5) indicate liability for:

(A) delinquent:

(i) taxes; and

(ii) special assessments;

(B) penalties; and

(C) interest;

is allowed to appear on the tax statement under ~~IC 6-1.1-22-8;~~  
**IC 6-1.1-22-8.1** for the ~~May~~ first installment of property taxes in the year in which the provisional tax statement is issued; and

(6) include any other information the county treasurer requires.

SECTION 113. IC 6-1.1-22.5-9, AS AMENDED BY P.L.219-2007, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) Except as provided in subsection (b), subsection (c), and section 12 of this chapter, property taxes billed on a provisional statement are due in two (2) equal installments ~~on May 10 and November 10 of~~ in the year following the assessment date covered by the provisional statement.

(b) ~~If in a county the notices of general reassessment under IC 6-1.1-4-4 or notices of assessment under IC 6-1.1-4-4.5 for an assessment date in a calendar year are given to the taxpayers in the county after March 26 of the immediately succeeding calendar year, the property taxes that would otherwise be due under subsection (a) on~~

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May 10 of the immediately succeeding calendar year are **The first installment is** due on the later of:

- (1) May 10 of the ~~immediately succeeding calendar year~~ **following the year of the assessment date covered by the provisional statement;** or
- (2) ~~forty-five (45)~~ **thirty (30)** days after the mailing or transmittal of provisional statements.

(c) ~~If subsection (b) applies, the property taxes that would otherwise be due under subsection (a) on November 10 of the immediately succeeding calendar year referred to in subsection (b) are~~ **The second installment is** due on the later of:

- (1) November 10 of the ~~immediately succeeding calendar year~~ **following the year of the assessment date covered by the provisional statement;** or
- (2) a date determined by the county treasurer that is not later than December 31 of the ~~immediately succeeding calendar year~~ **following the year of the assessment date covered by the provisional statement.**

SECTION 114. IC 6-1.1-22.5-12, AS AMENDED BY P.L.146-2008, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) Except as provided by subsection (c), each reconciling statement **must be on a form prescribed by the department of local government finance and** must indicate:

- (1) the actual property tax liability under this article on the assessment determined for the assessment date for the property for which the reconciling statement is issued;
- (2) the total amount paid under the provisional statement for the property for which the reconciling statement is issued;
- (3) if the amount under subdivision (1) exceeds the amount under subdivision (2), that the excess is payable by the taxpayer:
  - (A) as a final reconciliation of the tax liability; and
  - (B) not later than:
    - (i) thirty (30) days after the date of the reconciling statement;
    - (ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner; or
    - (iii) the date specified in an ordinance adopted under section 18.5 of this chapter; and
- (4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess

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under IC 6-1.1-26.

(b) If, upon receipt of the abstract referred to in section 6 of this chapter, the county treasurer determines that it is possible to complete the:

(1) preparation; and

(2) mailing or transmittal;

of the reconciling statement at least thirty (30) days before the due date of the second installment specified in the provisional statement, the county treasurer may request in writing that the department of local government finance permit the county treasurer to issue a reconciling statement that adjusts the amount of the second installment that was specified in the provisional statement. If the department approves the county treasurer's request, the county treasurer shall prepare and mail or transmit the reconciling statement at least thirty (30) days before the due date of the second installment specified in the provisional statement.

(c) A reconciling statement prepared under subsection (b) **must be on a form prescribed by the department of local government finance and** must indicate:

(1) the actual property tax liability under this article on the assessment determined for the assessment date for the property for which the reconciling statement is issued;

(2) the total amount of the first installment paid under the provisional statement for the property for which the reconciling statement is issued;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), the adjusted amount of the second installment that is payable by the taxpayer:

(A) as a final reconciliation of the tax liability; and

(B) not later than:

(i) November 10; or

(ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

SECTION 115. IC 6-1.1-27-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9. (a) This section applies if:**

**(1) a school corporation did not receive a property tax distribution that was at least the amount of the school**

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corporation's actual general fund property tax levy for a particular year because of property taxes not being paid when due, as determined by the department of local government finance; and

(2) delinquent property taxes are paid that are attributable to a year referred to in subdivision (1).

(b) The county auditor shall distribute to a school corporation the school corporation's proportionate share of any delinquent property taxes paid that are attributable to a year referred to in subsection (a) in the amount that would have been distributed to the school corporation with respect to the school corporation's general fund. The school corporation shall deposit the distribution in the school corporation's general fund.

(c) This section expires January 1, 2015.

SECTION 116. IC 6-1.1-28-1, AS AMENDED BY P.L.219-2007, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) Each county shall have a county property tax assessment board of appeals composed of individuals who are at least eighteen (18) years of age and knowledgeable in the valuation of property. In addition to the county assessor, only one (1) other individual who is an officer or employee of a county or township may serve on the board of appeals in the county in which the individual is an officer or employee. Subject to subsections (d) and (e), the fiscal body of the county shall appoint two (2) individuals to the board. At least one (1) of the members appointed by the county fiscal body must be a certified level two or level three assessor-appraiser. Subject to subsections (d) and (e), the board of commissioners of the county shall appoint ~~two (2)~~ **three (3)** freehold members so that not more than three (3) of the five (5) members may be of the same political party and so that at least three (3) of the five (5) members are residents of the county. At least one (1) of the members appointed by the board of county commissioners must be a certified level two or level three assessor-appraiser. ~~If the county assessor is a certified level two or level three assessor-appraiser,~~ The board of county commissioners may waive the requirement in this subsection that one (1) of the freehold members appointed by the board of county commissioners must be a certified level two or level three assessor-appraiser. A person appointed to a property tax assessment board of appeals may serve on the property tax assessment board of appeals of another county at the same time. The members of the board shall elect a president. The employees of the county assessor shall provide administrative support to the property tax assessment board of appeals. The county assessor is a

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1 ~~voting~~ **nonvoting** member of the property tax assessment board of  
 2 appeals. The county assessor shall serve as secretary of the board. The  
 3 secretary shall keep full and accurate minutes of the proceedings of the  
 4 board. A majority of the board that includes at least one (1) certified  
 5 level two or level three assessor-appraiser constitutes a quorum for the  
 6 transaction of business. Any question properly before the board may be  
 7 decided by the agreement of a majority of the whole board.

8 (b) The county assessor, county fiscal body, and board of county  
 9 commissioners may agree to waive the requirement in subsection (a)  
 10 that not more than three (3) of the five (5) members of the county  
 11 property tax assessment board of appeals may be of the same political  
 12 party if it is necessary to waive the requirement due to the absence of  
 13 certified level two or level three Indiana assessor-appraisers:

- 14 (1) who are willing to serve on the board; and
- 15 (2) whose political party membership status would satisfy the  
 16 requirement in subsection ~~(c)(1)~~: **(a)**.

17 (c) If the board of county commissioners is not able to identify at  
 18 least two (2) prospective freehold members of the county property tax  
 19 assessment board of appeals who are:

- 20 (1) residents of the county;
- 21 (2) certified level two or level three Indiana assessor-appraisers;
- 22 and
- 23 (3) willing to serve on the county property tax assessment board  
 24 of appeals;

25 it is not necessary that at least three (3) of the five (5) members of the  
 26 county property tax assessment board of appeals be residents of the  
 27 county.

28 (d) Except as provided in subsection (e), the term of a member of  
 29 the county property tax assessment board of appeals appointed under  
 30 subsection (a):

- 31 (1) is one (1) year; and
- 32 (2) begins January 1.

33 (e) If:

- 34 (1) the term of a member of the county property tax assessment  
 35 board of appeals appointed under subsection (a) expires;
- 36 (2) the member is not reappointed; and
- 37 (3) a successor is not appointed;

38 the term of the member continues until a successor is appointed.

39 SECTION 117. IC 6-1.1-28-8 IS AMENDED TO READ AS  
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 8. (a) The county  
 41 property tax assessment board shall remain in session until the board's  
 42 duties are complete.

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(b) All expenses and per diem compensation resulting from a session of a county property tax assessment board that is called by the department of local government finance under subsection (c) shall be paid by the county auditor, who shall, without an appropriation being required, draw warrants on county funds not otherwise appropriated.

(c) The department of local government finance may also call a session of the county property tax assessment board after completion of a ~~general~~ reassessment of real property **under a county's reassessment plan**. The department of local government finance shall fix the time for and duration of the session.

SECTION 118. IC 6-1.1-29-1, AS AMENDED BY P.L.224-2007, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE DECEMBER 30, 2008 (RETROACTIVE)]: Sec. 1. ~~(a)~~ Except as provided in section 9 of this chapter, each county shall have a county board of tax adjustment composed of seven (7) members. The members of the county board of tax adjustment shall be selected as follows:

(1) The county fiscal body shall appoint a member of the body to serve as a member of the county board of tax adjustment.

(2) Either the executive of the largest city in the county or a public official of any city in the county appointed by that executive shall serve as a member of the board. However, if there is no incorporated city in the county, the fiscal body of the largest incorporated town of the county shall appoint a member of the body to serve as a member of the county board of tax adjustment.

(3) The governing body of the school corporation, located entirely or partially within the county, which has the greatest taxable valuation of any school corporation of the county shall appoint a member of the governing body to serve as a member of the county board of tax adjustment.

(4) The remaining four (4) members of the county board of tax adjustment must be residents of the county and freeholders and shall be appointed by the board of commissioners of the county.

~~(b) This section expires December 31, 2008.~~

SECTION 119. IC 6-1.1-31-7, AS AMENDED BY P.L.214-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. (a) With respect to the assessment of personal property, the rules of the department of local government finance shall provide for the classification of personal property on the basis of:

(1) date of purchase;

(2) location;

(3) use;

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(4) depreciation, obsolescence, and condition; and

(5) any other factor that the department determines by rule is just and proper.

(b) With respect to the assessment of personal property, the rules of the department of local government finance shall include instructions for determining:

(1) the proper classification of personal property;

(2) the effect that location has on the value of personal property;

(3) the cost of reproducing personal property;

(4) the depreciation, including physical deterioration and obsolescence, of personal property;

(5) the productivity or earning capacity of mobile homes regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;

(6) the true tax value of mobile homes assessed under IC 6-1.1-7 (other than mobile homes subject to the ~~preferred~~ valuation method under ~~IC 6-1.1-4-39(b)~~ **IC 6-1.1-4-39**) as the least of the values determined using the following:

(A) The National Automobile Dealers Association Guide.

(B) The purchase price of a mobile home if:

(i) the sale is of a commercial enterprise nature; and

(ii) the buyer and seller are not related by blood or marriage.

(C) Sales data for generally comparable mobile homes;

(7) the true tax value at the time of acquisition of computer application software, for the purpose of deducting the value of computer application software from the acquisition cost of tangible personal property whenever the value of the tangible personal property that is recorded on the taxpayer's books and records reflects the value of the computer application software; and

(8) the true tax value of personal property based on the factors listed in this subsection and any other factor that the department determines by rule is just and proper.

(c) In providing for the classification of personal property and the instructions for determining the items listed in subsection (b), the department of local government finance shall not include the value of land as a cost of producing tangible personal property subject to assessment.

(d) With respect to the assessment of personal property, true tax value does not mean fair market value. Subject to this article, true tax value is the value determined under rules of the department of local government finance.

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1 SECTION 120. IC 6-1.1-31-9 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 9. (a) Except as  
 3 provided in subsection (b), the department of local government finance  
 4 may not adopt rules for the appraisal of real property in a ~~general~~  
 5 reassessment **under a county's reassessment plan** after July 1 of the  
 6 year before the year in which the ~~general cycle of~~ reassessment **under**  
 7 **a county's reassessment plan** is scheduled to begin.

8 (b) If rules for the appraisal of real property in a ~~general~~  
 9 reassessment **under a county's reassessment plan** are timely adopted  
 10 under subsection (a) and are then disapproved by the attorney general  
 11 for any reason under IC 4-22-2-32, the department of local government  
 12 finance may modify the rules to cure the defect that resulted in  
 13 disapproval by the attorney general, and may then take all actions  
 14 necessary under IC 4-22-2 to readopt and to obtain approval of the  
 15 rules. This process may be repeated as necessary until the rules are  
 16 approved.

17 SECTION 121. IC 6-1.1-31.5-2, AS AMENDED BY P.L.146-2008,  
 18 SECTION 272, IS AMENDED TO READ AS FOLLOWS  
 19 [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) Subject to section 3.5 of this  
 20 chapter, the department shall adopt rules under IC 4-22-2 to prescribe  
 21 computer specification standards and for the certification of:

- 22 (1) computer software;
- 23 (2) software providers;
- 24 (3) computer service providers; and
- 25 (4) computer equipment providers.

26 (b) The rules of the department shall provide for:

- 27 (1) the effective and efficient administration of assessment laws;
- 28 (2) the prompt updating of assessment data;
- 29 (3) the administration of information contained in the sales  
 30 disclosure form, as required under IC 6-1.1-5.5; and
- 31 (4) other information necessary to carry out the administration of  
 32 the property tax assessment laws.

33 (c) After June 30, 2008, subject to section 3.5 of this chapter, a  
 34 county:

- 35 (1) may contract only for computer software and with software  
 36 providers, computer service providers, and equipment providers  
 37 that are certified by the department under the rules described in  
 38 subsection (a); and
- 39 (2) may enter into a contract referred to in subdivision (1) **and**  
 40 **any addendum to the contract** only if the department is a party  
 41 to the contract **and the addendum.**

42 SECTION 122. IC 6-1.1-33.5-3 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. The division of data  
2 analysis shall:

3 (1) conduct continuing studies in the areas in which the  
4 department of local government finance operates;

5 (2) make periodic field surveys and audits of:

6 (A) tax rolls;

7 (B) plat books;

8 (C) building permits;

9 (D) real estate transfers; and

10 (E) other data that may be useful in checking property  
11 valuations or taxpayer returns;

12 (3) make test checks of property valuations to serve as the bases  
13 for special reassessments under this article;

14 (4) conduct biennially a coefficient of dispersion study for each  
15 township and county in Indiana;

16 (5) conduct quadrennially a sales assessment ratio study for each  
17 township and county in Indiana;

18 ~~(6) compute school assessment ratios under IC 6-1.1-34; and~~

19 ~~(7)~~ (6) report annually to the executive director of the legislative  
20 services agency, in an electronic format under IC 5-14-6, the  
21 information obtained or determined under this section for use by  
22 the executive director and the general assembly, including:

23 (A) all information obtained by the division of data analysis  
24 from units of local government; and

25 (B) all information included in:

26 (i) the local government data base; and

27 (ii) any other data compiled by the division of data analysis.

28 SECTION 123. IC 6-1.1-33.5-6 IS AMENDED TO READ AS  
29 FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 6. (a) With  
30 respect to any township or county for any year, the department of local  
31 government finance may initiate a review to determine whether to order  
32 a special reassessment under this chapter. The review may apply to real  
33 property or personal property, or both.

34 (b) If the department of local government finance determines under  
35 subsection (a) ~~of this chapter~~ to initiate a review with respect to the real  
36 property within a ~~township or county~~, **particular cycle under a**  
37 **county's reassessment plan** or a portion of the real property within a  
38 ~~township or county~~, **cycle**, the division of data analysis of the  
39 department shall determine for the real property under consideration  
40 and for ~~the township or county~~ **all groups of parcels within a**  
41 **particular cycle**, the variance between:

42 (1) the total assessed valuation of the real property within ~~the~~

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1 ~~township or county;~~ **all groups of parcels within a particular**  
 2 **cycle;** and

3 (2) the total assessed valuation that would result if the real  
 4 property within ~~the township or county~~ **all groups of parcels**  
 5 **within a particular cycle** were valued in the manner provided by  
 6 law.

7 (c) If the department of local government finance determines under  
 8 subsection (a) ~~of this chapter~~ to initiate a review with respect to  
 9 personal property within a township or county, or a part of the personal  
 10 property within a township or county, the division of data analysis of  
 11 the department shall determine for the personal property under  
 12 consideration and for the township or county the variance between:

13 (1) the total assessed valuation of the personal property within the  
 14 township or county; and

15 (2) the total assessed valuation that would result if the personal  
 16 property within the township or county were valued in the manner  
 17 provided by law.

18 (d) The determination of the department of local government  
 19 finance under section 2 or 3 of this chapter must be based on a  
 20 statistically valid assessment ratio study.

21 (e) If a determination of the department of local government finance  
 22 to order a special reassessment under this chapter is based on a  
 23 coefficient of dispersion study, the department shall publish the  
 24 coefficient of dispersion study for the township or county in accordance  
 25 with IC 5-3-1-2(j).

26 (f) If:

27 (1) the variance determined under subsection (b) or (c) exceeds  
 28 twenty percent (20%); and

29 (2) the department of local government finance determines after  
 30 holding hearings on the matter that a special reassessment should  
 31 be conducted;

32 the department shall contract for a special reassessment to be  
 33 conducted to correct the valuation of the property.

34 (g) If the variance determined under subsection (b) or (c) is twenty  
 35 percent (20%) or less, the department of local government finance shall  
 36 determine whether to correct the valuation of the property under:

37 (1) IC 6-1.1-4-9 and IC 6-1.1-4-10; or

38 (2) IC 6-1.1-14.

39 (h) The department of local government finance shall give notice to  
 40 a taxpayer, by individual notice or by publication at the discretion of  
 41 the department, of a hearing concerning the department's intent to  
 42 cause the assessment of the taxpayer's property to be adjusted under

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1 this section. The time fixed for the hearing must be at least ten (10)  
 2 days after the day the notice is mailed or published. The department  
 3 may conduct a single hearing under this section with respect to  
 4 multiple properties. The notice must state:

- 5 (1) the time of the hearing;
- 6 (2) the location of the hearing; and
- 7 (3) that the purpose of the hearing is to hear taxpayers' comments  
 8 and objections with respect to the department's intent to adjust the  
 9 assessment of property under this chapter.

10 (i) If the department of local government finance determines after  
 11 the hearing that the assessment of property should be adjusted under  
 12 this chapter, the department shall:

- 13 (1) cause the assessment of the property to be adjusted;
- 14 (2) mail a certified notice of its final determination to the county  
 15 auditor of the county in which the property is located; and
- 16 (3) notify the taxpayer as required under IC 6-1.1-14.

17 (j) A reassessment or adjustment may be made under this section  
 18 only if the notice of the final determination is given to the taxpayer  
 19 within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

20 (k) If the department of local government finance contracts for a  
 21 special reassessment of property under this chapter, the department  
 22 shall forward the bill for services of the reassessment contractor to the  
 23 county auditor, and the county shall pay the bill from the county  
 24 reassessment fund.

25 SECTION 124. IC 6-1.1-34-1, AS AMENDED BY P.L.246-2005,  
 26 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 JANUARY 1, 2010]: Sec. 1. ~~Each~~ **In the year in which after a general**  
 28 ~~assessment of real property becomes effective, reassessment cycle of~~  
 29 **real property under a county's reassessment plan is completed,** the  
 30 department of local government finance shall compute a new  
 31 assessment ratio for each school corporation ~~and a new state average~~  
 32 ~~assessment ratio.~~ **located in a county in which a supplemental**  
 33 **county levy is imposed under IC 20-45-7 or IC 20-45-8.** In all other  
 34 years, the department shall compute a new assessment ratio for **such** a  
 35 school corporation ~~and a new state average assessment ratio~~ if the  
 36 department finds that there has been sufficient reassessment or  
 37 adjustment of one (1) or more classes of property in the school district.  
 38 When the department of local government finance computes a new  
 39 assessment ratio for a school corporation, the department shall publish  
 40 the new ratio.

41 SECTION 125. IC 6-1.1-34-7 IS AMENDED TO READ AS  
 42 FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. (a) Each year

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in which the department of local government finance computes a new assessment ratio for a school corporation, the department shall also compute a new adjustment factor for the school corporation. If the school corporation's assessment ratio for a year is more than ninety-nine percent (99%) but less than one hundred one percent (101%) of the state average assessment ratio for that year, the school corporation's adjustment factor is the number one (1). In all other cases, the school corporation's adjustment factor equals (1) the state average assessment ratio for a year, divided by (2) the school corporation's assessment ratio for that year. The department of local government finance shall notify the school corporation of its new adjustment factor before March 2 of the year in which the department calculates the new adjustment factor.

(b) This subsection applies in a calendar year ~~in~~ **after** which a ~~general reassessment takes effect; cycle under a county's reassessment plan is completed.~~ If the department of local government finance has not computed

(1) a new assessment ratio for a school corporation, ~~or~~

(2) a new state average assessment ratio;

the school corporation's adjustment factor is the number one (1) until the department of local government finance notifies the school corporation of the school corporation's new adjustment factor.

SECTION 126. IC 6-1.1-35-9, AS AMENDED BY P.L.146-2008, SECTION 279, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) All information that is related to earnings, income, profits, losses, or expenditures and that is:

(1) given by a person to:

(A) an assessing official;

(B) an employee of an assessing official; or

(C) an officer or employee of an entity that contracts with a board of county commissioners or a county assessor under IC 6-1.1-36-12; or

(2) acquired by:

(A) an assessing official;

(B) an employee of an assessing official; or

(C) an officer or employee of an entity that contracts with a board of county commissioners or a county assessor under IC 6-1.1-36-12;

in the performance of the person's duties;

is confidential. The assessed valuation of tangible property is a matter of public record and is thus not confidential. Confidential information may be disclosed only in a manner that is authorized under subsection

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(b), (c), or (d).

(b) Confidential information may be disclosed to:

(1) an official or employee of:

(A) this state or another state;

(B) the United States; or

(C) an agency or subdivision of this state, another state, or the United States;

if the information is required in the performance of the official duties of the official or employee; ~~or~~

(2) an officer or employee of an entity that contracts with a board of county commissioners or a county assessor under IC 6-1.1-36-12 if the information is required in the performance of the official duties of the officer or employee; **or**

**(3) a state educational institution in order to develop data required under IC 6-1.1-4-42.**

(c) The following state agencies, or their authorized representatives, shall have access to the confidential farm property records and schedules that are on file in the office of a county assessor:

(1) The Indiana state board of animal health, in order to perform its duties concerning the discovery and eradication of farm animal diseases.

(2) The department of agricultural statistics of Purdue University, in order to perform its duties concerning the compilation and dissemination of agricultural statistics.

(3) Any other state agency that needs the information in order to perform its duties.

(d) Confidential information may be disclosed during the course of a judicial proceeding in which the regularity of an assessment is questioned.

(e) Confidential information that is disclosed to a person under subsection (b) or (c) retains its confidential status. Thus, that person may disclose the information only in a manner that is authorized under subsection (b), (c), or (d).

(f) Notwithstanding any other provision of law:

(1) a person who:

(A) is an officer or employee of an entity that contracts with a board of county commissioners or a county assessor under IC 6-1.1-36-12; and

(B) obtains confidential information under this section;

may not disclose that confidential information to any other person; and

(2) a person referred to in subdivision (1) must return all

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confidential information to the taxpayer not later than fourteen  
(14) days after the earlier of:

(A) the completion of the examination of the taxpayer's  
personal property return under IC 6-1.1-36-12; or

(B) the termination of the contract.

SECTION 127. IC 6-1.1-37-1 IS AMENDED TO READ AS  
FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. An officer of state or  
local government who recklessly violates or fails to perform a duty  
imposed on ~~him~~ **the officer** under:

(1) IC 6-1.1-10-1(b);

(2) IC 6-1.1-12-6;

(3) IC 6-1.1-12-7;

~~(4) IC 6-1.1-12-8;~~

~~(5)~~ **(4)** IC 6-1.1-17-1;

~~(6)~~ **(5)** IC 6-1.1-17-3(a);

~~(7)~~ **(6)** IC 6-1.1-17-5(d)(1);

~~(8)~~ **(7)** IC 6-1.1-18-1;

~~(9)~~ **(8)** IC 6-1.1-18-5;

~~(10)~~ **(9)** IC 6-1.1-18-6;

~~(11)~~ **(10)** IC 6-1.1-20-5;

~~(12)~~ **(11)** IC 6-1.1-20-6;

~~(13)~~ **(12)** IC 6-1.1-20-7;

~~(14)~~ **(13)** IC 6-1.1-30-14; or

~~(15)~~ **(14)** IC 6-1.1-36-13;

commits a Class A misdemeanor. In addition, the officer is liable for  
the damages sustained by a person as a result of the officer's violation  
of the provision or the officer's failure to perform the duty.

SECTION 128. IC 6-1.1-37-6 IS AMENDED TO READ AS  
FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. A person who  
**recklessly, knowingly, or intentionally:**

(1) disobeys a subpoena, or a subpoena duces tecum, issued under  
the general assessment provisions of this article;

(2) refuses to give evidence when directed to do so by an  
individual or board authorized under the general assessment  
provisions of this article to require the evidence;

(3) fails to file a personal property return required under  
IC 6-1.1-3;

(4) fails to subscribe to an oath or certificate required under the  
general assessment provisions of this article; ~~or~~

(5) temporarily converts property which is taxable under this  
article into property not taxable to evade the payment of taxes on  
the converted property; **or**

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1           **(6) fails to file an information return required by the**  
 2           **department of local government finance under IC 6-1.1-4-42;**  
 3           commits a Class A misdemeanor.

4           SECTION 129. IC 6-1.1-37-14 IS ADDED TO THE INDIANA  
 5           CODE AS A NEW SECTION TO READ AS FOLLOWS  
 6           [EFFECTIVE JULY 1, 2009]: **Sec. 14. (a) The penalties prescribed**  
 7           **under this section do not apply to an individual or the individual's**  
 8           **dependents if the individual:**

9               **(1) is in the military or naval forces of the United States on the**  
 10              **assessment date; and**

11              **(2) is covered by the federal Servicemembers Civil Relief Act.**

12           **(b) If a person fails to file a substantially complete information**  
 13           **return required by the department of local government finance**  
 14           **under IC 6-1.1-4-42:**

15               **(1) on or before the due date for the return, the person is**  
 16              **subject to a penalty of twenty-five dollars (\$25); or**

17               **(2) not later than thirty (30) days after the due date, the**  
 18              **person is subject to an additional penalty equal to twenty**  
 19              **percent (20%) of the taxes finally determined with respect to**  
 20              **the property that is the subject of the information return for**  
 21              **the assessment date for the property immediately preceding**  
 22              **the date that the information is due.**

23           **(c) The department of local government finance shall certify a**  
 24           **penalty imposed under subsection (b) to the county auditor where**  
 25           **the property that is the subject of the return is located. Upon notice**  
 26           **from the department of local government finance, the county**  
 27           **auditor shall add the penalty to the property tax installment next**  
 28           **due for the property that is the subject of the information return.**  
 29           **A penalty is due with an installment under this section whether an**  
 30           **appeal is filed under IC 6-1.1-15-5 with respect to the tax due on**  
 31           **that installment.**

32           SECTION 130. IC 6-1.1-39-5, AS AMENDED BY P.L.146-2008,  
 33           SECTION 296, IS AMENDED TO READ AS FOLLOWS  
 34           [EFFECTIVE JANUARY 1, 2010]: **Sec. 5. (a) A declaratory ordinance**  
 35           **adopted under section 2 of this chapter and confirmed under section 3**  
 36           **of this chapter must include a provision with respect to the allocation**  
 37           **and distribution of property taxes for the purposes and in the manner**  
 38           **provided in this section. The allocation provision must apply to the**  
 39           **entire economic development district. The allocation provisions must**  
 40           **require that any property taxes subsequently levied by or for the benefit**  
 41           **of any public body entitled to a distribution of property taxes on taxable**  
 42           **property in the economic development district be allocated and**

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distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units. However, if the effective date of the allocation provision of a declaratory ordinance is after March 1, 1985, and before January 1, 1986, and if an improvement to property was partially completed on March 1, 1985, the unit may provide in the declaratory ordinance that the taxes attributable to the assessed value of the property as finally determined for March 1, 1984, shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, part or all of the property tax proceeds in excess of those described in subdivision (1), as specified in the declaratory ordinance, shall be allocated to the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

(3) When the money in the fund is sufficient to pay all outstanding principal of and interest (to the earliest date on which the obligations can be redeemed) on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection (a)(2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the

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economic development district that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory ordinance is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Notwithstanding any other law, each assessor shall, upon petition of the fiscal body, reassess the taxable property situated upon or in, or added to, the economic development district effective on the next assessment date after the petition.

(e) Notwithstanding any other law, the assessed value of all taxable property in the economic development district, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(f) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each ~~general~~ reassessment **of a group of parcels under a county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment on the property tax proceeds allocated to the district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1.

(g) As used in this section, "property taxes" means:

- (1) taxes imposed under this article on real property; and
- (2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight

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(8) years, the ordinance continues in effect until an ordinance is adopted by the unit under subdivision (2).

(h) As used in this section, "base assessed value" means:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (f); plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997.

SECTION 131. IC 6-1.1-42-28, AS AMENDED BY P.L.219-2007, SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 28. (a) Subject to this section and section 34 of this chapter, the amount of the deduction which the property owner is entitled to receive under this chapter for a particular year equals the product of:

(1) the increase in the assessed value resulting from the remediation and redevelopment in the zone or the location of personal property in the zone, or both; multiplied by

(2) the percentage determined under subsection (b).

(b) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(2) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	17%

(3) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
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1	1st	100%
2	2nd	95%
3	3rd	80%
4	4th	65%
5	5th	50%
6	6th	40%
7	7th	30%
8	8th	20%
9	9th	10%
10	10th	5%

(c) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a ~~general~~ reassessment of **the** real property **under a county's reassessment plan** occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the ~~general~~ reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

(3) The amount of the deduction may not exceed the limitations imposed by the designating body under section 23 of this chapter.

(4) The amount of the deduction must be proportionally reduced by the proportionate ownership of the property by a person that:

- (A) has an ownership interest in an entity that contributed; or
- (B) has contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.

The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection.

SECTION 132. IC 6-2.5-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13. Transactions involving tangible personal property are exempt from the state gross retail tax, if:

(1) the property is:

- (A) classified as central office equipment, station equipment or apparatus, station connection, wiring, or large private branch exchanges according to the uniform system of accounts

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1 which was adopted and prescribed for the utility by the Indiana  
2 utility regulatory commission; or

3 (B) mobile telecommunications switching office equipment,  
4 radio or microwave transmitting or receiving equipment,  
5 including, without limitation, towers, antennae, and property  
6 that perform a function similar to the function performed by  
7 any of the property described in clause (A); and

8 (2) the person acquiring the property:

9 (A) furnishes or sells intrastate telecommunication service in  
10 a retail transaction described in IC 6-2.5-4-6; or

11 **(B) furnishes cable television or radio service or satellite**  
12 **television or radio service and uses the property to provide**  
13 **telecommunications services.**

14 SECTION 133. IC 6-2.5-5-18 IS AMENDED TO READ AS  
15 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. (a) Sales of durable  
16 medical equipment, prosthetic devices, artificial limbs, orthopedic  
17 devices, dental prosthetic devices, eyeglasses, contact lenses, and other  
18 medical supplies and devices are exempt from the state gross retail tax,  
19 if the sales are prescribed by a person licensed to issue the prescription.

20 (b) Rentals of durable medical equipment and other medical  
21 supplies and devices are exempt from the state gross retail tax, if the  
22 rentals are prescribed by a person licensed to issue the prescription.

23 (c) Sales of hearing aids are exempt from the state gross retail tax  
24 if the hearing aids are fitted or dispensed by a person licensed or  
25 registered for that purpose. In addition, sales of hearing aid parts,  
26 attachments, or accessories are exempt from the state gross retail tax.  
27 For purposes of this subsection, a hearing aid is a device which is worn  
28 on the body and which is designed to aid, improve, or correct defective  
29 human hearing.

30 (d) Sales of colostomy bags, ileostomy bags, and the medical  
31 equipment, supplies, and devices used in conjunction with those bags  
32 are exempt from the state gross retail tax.

33 (e) Sales of equipment and devices used to administer insulin are  
34 exempt from the state gross retail tax.

35 **(f) Sales of equipment and devices used to monitor blood glucose**  
36 **level, including blood glucose meters and measuring strips, lancets,**  
37 **and other similar diabetic supplies, are exempt from the state gross**  
38 **retail tax, regardless of whether the equipment and devices are**  
39 **prescribed.**

40 SECTION 134. IC 6-2.5-5-19.5 IS AMENDED TO READ AS  
41 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 19.5. (a) For purposes  
42 of this section, "drug sample" means a legend drug (as defined by

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IC 16-18-2-199) or a drug composed wholly or partly of insulin or an insulin analog that is furnished without charge. **For purposes of this section, "blood glucose monitoring device" means blood glucose meters and measuring strips, lancets, and other similar diabetic supplies furnished without charge.**

(b) Transactions involving the following are exempt from the state gross retail tax:

(1) A drug sample, ~~and~~ the packaging and literature for a drug sample, **a blood glucose monitoring device, and the packaging and literature for a blood glucose monitoring device.**

(2) Tangible personal property that will be used as a drug sample **or a blood glucose monitoring device** or ~~that~~ will be processed, manufactured, or incorporated into:

(A) a drug sample **or a blood glucose monitoring device;** or

(B) the packaging or literature for a drug sample **or a blood glucose monitoring device.**

SECTION 135. IC 6-3-2-5.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 5.3. (a) This section applies to taxable years beginning after December 31, 2008.**

**(b) As used in this section, "solar powered roof vent or fan" means a roof vent or fan that is powered by solar energy and used to release heat from a building.**

**(c) A resident individual taxpayer is entitled to a deduction from the taxpayer's adjusted gross income for a particular taxable year if, during that taxable year, the taxpayer installs a solar powered roof vent or fan on a building owned or leased by the taxpayer.**

**(d) The amount of the deduction to which a taxpayer is entitled in a particular taxable year is the lesser of:**

**(1) one-half (1/2) of the amount the taxpayer pays for labor and materials for the installation of a solar powered roof vent or fan that is installed during the taxable year; or**

**(2) one thousand dollars (\$1,000).**

**(e) To obtain the deduction provided by this section, a taxpayer must file with the department proof of the taxpayer's costs for the installation of a solar powered roof vent or fan and a list of the persons or corporation that supplied labor or materials for the installation of the solar powered roof vent or fan.**

SECTION 136. IC 6-3.1-4-2, AS AMENDED BY P.L.193-2005, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: **Sec. 2. (a) A taxpayer who incurs Indiana qualified research expense in a particular taxable year is entitled to a**

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research expense tax credit for the taxable year.

(b) For Indiana qualified research expense incurred before January 1, 2008, the amount of the research expense tax credit is equal to the product of ten percent (10%) multiplied by the remainder of:

(1) the taxpayer's Indiana qualified research expenses for the taxable year; minus

(2) the taxpayer's base amount.

(c) **Except as provided in subsection (d)**, for Indiana qualified research expense incurred after December 31, 2007, the amount of the research expense tax credit is determined under STEP FOUR of the following formula:

STEP ONE: Subtract the taxpayer's base amount from the taxpayer's Indiana qualified research expense for the taxable year.

STEP TWO: Multiply the lesser of:

(A) one million dollars (\$1,000,000); or

(B) the STEP ONE remainder;

by fifteen percent (15%).

STEP THREE: If the STEP ONE remainder exceeds one million dollars (\$1,000,000), multiply the amount of that excess by ten percent (10%).

STEP FOUR: Add the STEP TWO and STEP THREE products.

**(d) For Indiana qualified research expense incurred after December 31, 2009, a taxpayer may choose to have the amount of the research expense tax credit determined under this subsection rather than under subsection (c). At the election of the taxpayer, the amount of the taxpayer's research expense tax credit is equal to ten percent (10%) of the part of the taxpayer's Indiana qualified research expense for the taxable year that exceeds fifty percent (50%) of the taxpayer's average Indiana qualified research expense for the three (3) taxable years preceding the taxable year for which the credit is being determined. However, if the taxpayer did not have Indiana qualified research expense in any one (1) of the three (3) taxable years preceding the taxable year for which the credit is being determined, the amount of the research expense tax credit is equal to five percent (5%) of the taxpayer's Indiana qualified research expense for the taxable year.**

SECTION 137. IC 6-3.5-1.1-1.1, AS ADDED BY P.L.207-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1.1. (a) For purposes of allocating the certified distribution made to a county under this chapter among the civil taxing units and school corporations in the county, the allocation amount for a civil taxing unit or school corporation is the amount determined using

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the following formula:

STEP ONE: Determine the sum of the total property taxes being collected by the civil taxing unit or school corporation during the calendar year of the distribution.

STEP TWO: Determine the sum of the following:

(A) Amounts appropriated from property taxes to pay the principal of or interest on any debenture or other debt obligation issued after June 30, 2005, other than an obligation described in subsection (b).

(B) Amounts appropriated from property taxes to make payments on any lease entered into after June 30, 2005, other than a lease described in subsection (c).

(C) The proceeds of any property that are:

(i) received as the result of the issuance of a debt obligation described in clause (A) or a lease described in clause (B); and

(ii) appropriated from property taxes for any purpose other than to refund or otherwise refinance a debt obligation or lease described in subsection (b) or (c).

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

(B) the civil taxing unit's or school corporation's certified distribution for the previous calendar year.

**The allocation amount is subject to adjustment as provided in IC 36-8-19-7.5.**

(b) Except as provided in this subsection, an appropriation from property taxes to repay interest and principal of a debt obligation is not deducted from the allocation amount for a civil taxing unit or school corporation if:

(1) the debt obligation was issued; and

(2) the proceeds appropriated from property taxes;

to refund or otherwise refinance a debt obligation or a lease issued before July 1, 2005. However, an appropriation from property taxes related to a debt obligation issued after June 30, 2005, is deducted if the debt extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual

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amount of the increase over the amount that would have been paid.

(c) Except as provided in this subsection, an appropriation from property taxes to make payments on a lease is not deducted from the allocation amount for a civil taxing unit or school corporation if:

(1) the lease was issued; and

(2) the proceeds were appropriated from property taxes; to refinance a debt obligation or lease issued before July 1, 2005. However, an appropriation from property taxes related to a lease entered into after June 30, 2005, is deducted if the lease extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

SECTION 138. IC 6-3.5-1.1-14, AS AMENDED BY P.L.146-2008, SECTION 328, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 14. (a) In determining the amount of property tax replacement credits civil taxing units and school corporations of a county are entitled to receive during a calendar year, the department of local government finance shall consider only property taxes imposed on tangible property that was assessed in that county.

(b) If a civil taxing unit or a school corporation is located in more than one (1) county and receives property tax replacement credits from one (1) or more of the counties, then the property tax replacement credits received from each county shall be used only to reduce the property tax rates that are imposed within the county that distributed the property tax replacement credits.

(c) A civil taxing unit shall treat any property tax replacement credits that it receives or is to receive during a particular calendar year as a part of its property tax levy for that same calendar year for purposes of fixing its budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(d) Subject to subsection (e), if a civil taxing unit or school corporation of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which property tax replacement credits are being distributed, the civil taxing unit or school corporation is entitled to use the property tax replacement credits distributed to the civil taxing unit or school corporation for any purpose for which a property tax levy could be used.

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(e) A school corporation shall treat any property tax replacement credits that the school corporation receives or is to receive during a particular calendar year as a part of its property tax levy for its debt service fund, capital projects fund, transportation fund, **and** school bus replacement fund **and** ~~special education preschool fund~~ in proportion to the levy for each of these funds for that same calendar year for purposes of fixing its budget. A school corporation shall allocate the property tax replacement credits described in this subsection to all ~~five~~ **(5) four (4)** funds in proportion to the levy for each fund.

SECTION 139. IC 6-3.5-1.1-15, AS AMENDED BY P.L.146-2008, SECTION 329, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) As used in this section, "attributed allocation amount" of a civil taxing unit for a calendar year means the sum of:

- (1) the allocation amount of the civil taxing unit for that calendar year; plus
- (2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus
- (3) in the case of a county, an amount equal to the welfare allocation amount.

The welfare allocation amount is an amount equal to the sum of the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund and, if the county received a certified distribution under this chapter or IC 6-3.5-6 in 2008, the property taxes imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund and children with special health care needs county fund.

(b) The part of a county's certified distribution that is to be used as certified shares shall be allocated only among the county's civil taxing units. Each civil taxing unit of a county is entitled to receive a certified share during a calendar year in an amount determined in STEP TWO of the following formula:

STEP ONE: Divide:

- (A) the attributed allocation amount of the civil taxing unit during that calendar year; by
- (B) the sum of the attributed allocation amounts of all the civil taxing units of the county during that calendar year.

STEP TWO: Multiply the part of the county's certified

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1 distribution that is to be used as certified shares by the STEP  
2 ONE amount.

3 (c) The ~~local government tax control board established by~~  
4 ~~IC 6-1.1-18.5-11~~ **department of local government finance** shall  
5 determine the attributed levies of civil taxing units that are entitled to  
6 receive certified shares during a calendar year. If the ad valorem  
7 property tax levy of any special taxing district, authority, board, or  
8 other entity is attributed to another civil taxing unit under subsection  
9 (a)(2), then the special taxing district, authority, board, or other entity  
10 shall not be treated as having an attributed allocation amount of its  
11 own. The ~~local government tax control board~~ **department of local**  
12 **government finance** shall certify the attributed allocation amounts to  
13 the appropriate county auditor. The county auditor shall then allocate  
14 the certified shares among the civil taxing units of the auditor's county.

15 (d) Certified shares received by a civil taxing unit shall be treated  
16 as additional revenue for the purpose of fixing its budget for the  
17 calendar year during which the certified shares will be received. The  
18 certified shares may be allocated to or appropriated for any purpose,  
19 including property tax relief or a transfer of funds to another civil  
20 taxing unit whose levy was attributed to the civil taxing unit in the  
21 determination of its attributed allocation amount.

22 SECTION 140. IC 6-3.5-1.1-26, AS AMENDED BY P.L.146-2008,  
23 SECTION 333, IS AMENDED TO READ AS FOLLOWS  
24 [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 26. (a) A  
25 county council may impose a tax rate under this section to provide  
26 property tax relief to ~~political subdivisions~~ **taxpayers** in the county. A  
27 county council is not required to impose any other tax before imposing  
28 a tax rate under this section.

29 (b) A tax rate under this section may be imposed in increments of  
30 five-hundredths of one percent (0.05%) determined by the county  
31 council. A tax rate under this section may not exceed one percent (1%).

32 (c) A tax rate under this section is in addition to any other tax rates  
33 imposed under this chapter and does not affect the purposes for which  
34 other tax revenue under this chapter may be used.

35 (d) If a county council adopts an ordinance to impose or increase a  
36 tax rate under this section, the county auditor shall send a certified  
37 copy of the ordinance to the department and the department of local  
38 government finance by certified mail.

39 (e) A tax rate under this section may be imposed, increased,  
40 decreased, or rescinded by a county council at the same time and in the  
41 same manner that the county council may impose or increase a tax rate  
42 under section 24 of this chapter.

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(f) Tax revenue attributable to a tax rate under this section may be used for any combination of the following purposes, as specified by ordinance of the county council:

(1) Except as provided in subsection (j), the tax revenue may be used to provide local property tax replacement credits at a uniform rate to all taxpayers in the county. The local property tax replacement credits shall be treated for all purposes as property tax levies. The county auditor shall determine the local property tax replacement credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide local property tax replacement credits in that year. A county council may not adopt an ordinance determining that tax revenue shall be used under this subdivision to provide local property tax replacement credits at a uniform rate to all taxpayers in the county unless the county council has done the following:

(A) Made available to the public the county council's best estimate of the amount of property tax replacement credits to be provided under this subdivision to homesteads, other residential property, commercial property, industrial property, and agricultural property.

(B) Adopted a resolution or other statement acknowledging that some taxpayers in the county that do not pay the tax rate under this section will receive a property tax replacement credit that is funded with tax revenue from the tax rate under this section.

(2) The tax revenue may be used to uniformly increase (before January 1, ~~2009~~ **2011**) or uniformly provide (after December 31, ~~2008~~ **2010**) the homestead credit percentage in the county. The homestead credits shall be treated for all purposes as property tax levies. The homestead credits do not reduce the basis for determining ~~the any~~ state homestead credit. ~~under IC 6-1.1-20.9 (before its repeal)~~. The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The ~~department of local government finance~~ **county auditor** shall determine the homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide homestead credits in that year.

(3) The tax revenue may be used to provide local property tax replacement credits at a uniform rate for all qualified residential property (as defined in IC 6-1.1-20.6-4 before January 1, 2009,

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and as defined in section 1 of this chapter after December 31, 2008) in the county. The local property tax replacement credits shall be treated for all purposes as property tax levies. The county auditor shall determine the local property tax replacement credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide local property tax replacement credits in that year.

(4) This subdivision applies only to Lake County. The Lake County council may adopt an ordinance providing that the tax revenue from the tax rate under this section is used for any of the following:

(A) To reduce all property tax levies imposed by the county by the granting of property tax replacement credits against those property tax levies.

(B) To provide local property tax replacement credits in Lake County in the following manner:

(i) The tax revenue under this section that is collected from taxpayers within a particular municipality in Lake County (as determined by the department based on the department's best estimate) shall be used only to provide a local property tax credit against property taxes imposed by that municipality.

(ii) The tax revenue under this section that is collected from taxpayers within the unincorporated area of Lake County (as determined by the department) shall be used only to provide a local property tax credit against property taxes imposed by the county. The local property tax credit for the unincorporated area of Lake County shall be available only to those taxpayers within the unincorporated area of the county.

(C) To provide property tax credits in the following manner:

(i) Sixty percent (60%) of the tax revenue under this section shall be used as provided in clause (B).

(ii) Forty percent (40%) of the tax revenue under this section shall be used to provide property tax replacement credits against property tax levies of the county and each township and municipality in the county. The percentage of the tax revenue distributed under this item that shall be used as credits against the county's levies or against a particular township's or municipality's levies is equal to the percentage determined by dividing the population of the county, township, or municipality by the sum of the total population

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- 1 of the county, each township in the county, and each  
 2 municipality in the county.
- 3 The Lake County council shall determine whether the credits  
 4 under clause (A), (B), or (C) shall be provided to homesteads, to  
 5 all qualified residential property, or to all taxpayers. The  
 6 department of local government finance, with the assistance of the  
 7 budget agency, shall certify to the county auditor and the fiscal  
 8 body of the county and each township and municipality in the  
 9 county the amount of property tax credits under this subdivision.  
 10 Except as provided in subsection (g), the tax revenue under this  
 11 section that is used to provide credits under this subdivision shall  
 12 be treated for all purposes as property tax levies.
- 13 The county council may before October 1 of a year adopt an ordinance  
 14 changing the purposes for which tax revenue attributable to a tax rate  
 15 under this section shall be used in the following year.
- 16 (g) The tax rate under this section and the tax revenue attributable  
 17 to the tax rate under this section shall not be considered for purposes  
 18 of computing:
- 19 (1) the maximum income tax rate that may be imposed in a county  
 20 under section 2 of this chapter or any other provision of this  
 21 chapter;
- 22 (2) the maximum permissible property tax levy under STEP  
 23 EIGHT of IC 6-1.1-18.5-3(b);
- 24 (3) before January 1, 2009, the total county tax levy under  
 25 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5)  
 26 (before the repeal of those provisions); or
- 27 (4) the credit under IC 6-1.1-20.6.
- 28 (h) Tax revenue under this section shall be treated as a part of the  
 29 receiving civil taxing unit's or school corporation's property tax levy for  
 30 that year for purposes of fixing the budget of the civil taxing unit or  
 31 school corporation and for determining the distribution of taxes that are  
 32 distributed on the basis of property tax levies. **To the extent the**  
 33 **county auditor determines that income tax revenue remains from**  
 34 **the tax under this section after providing the property tax**  
 35 **replacement, the excess shall be credited to a dedicated county**  
 36 **account and may be used only for property tax replacement under**  
 37 **this section in subsequent years.**
- 38 (i) The department of local government finance and the department  
 39 of state revenue may take any actions necessary to carry out the  
 40 purposes of this section.
- 41 (j) A taxpayer that owns an industrial plant located in Jasper County  
 42 is ineligible for a local property tax replacement credit under this

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section against the property taxes due on the industrial plant if the assessed value of the industrial plant as of March 1, 2006, exceeds twenty percent (20%) of the total assessed value of all taxable property in the county on that date. The general assembly finds that the provisions of this subsection are necessary because the industrial plant represents such a large percentage of Jasper County's assessed valuation.

SECTION 141. IC 6-3.5-1.5-1, AS AMENDED BY P.L.146-2008, SECTION 334, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 1. (a) The department of local government finance and the department of state revenue shall, before July 1 of each year, jointly calculate the county adjusted income tax rate or county option income tax rate (as applicable) that must be imposed in a county to raise income tax revenue in the following year equal to the sum of the following STEPS:

STEP ONE: Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all civil taxing units in the county for the ensuing calendar year (before any adjustment under IC 6-1.1-18.5-3(g) or IC 6-1.1-18.5-3(h) for the ensuing calendar year); minus

(2) the sum of the maximum permissible ad valorem property tax levies calculated under IC 6-1.1-18.5 for all civil taxing units in the county for the current calendar year.

In the case of a civil taxing unit that is located in more than one (1) county, the department of local government finance shall, for purposes of making the determination under this subdivision, apportion the civil taxing unit's maximum permissible ad valorem property tax levy among the counties in which the civil taxing unit is located.

STEP TWO: This STEP applies only to property taxes first due and payable before January 1, 2009. Determine the greater of zero (0) or the result of:

(1) the department of local government finance's estimate of the family and children property tax levy that will be imposed by the county under IC 12-19-7-4 for the ensuing calendar year (before any adjustment under IC 12-19-7-4(b) for the ensuing calendar year); minus

(2) the county's family and children property tax levy imposed by the county under IC 12-19-7-4 for the current calendar year.

STEP THREE: This STEP applies only to property taxes first due

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1 and payable before January 1, 2009. Determine the greater of zero  
 2 (0) or the result of:  
 3 (1) the department of local government finance's estimate of  
 4 the children's psychiatric residential treatment services  
 5 property tax levy that will be imposed by the county under  
 6 IC 12-19-7.5-6 for the ensuing calendar year (before any  
 7 adjustment under IC 12-19-7.5-6(b) for the ensuing calendar  
 8 year); minus  
 9 (2) the children's psychiatric residential treatment services  
 10 property tax imposed by the county under IC 12-19-7.5-6 for  
 11 the current calendar year.  
 12 STEP FOUR: Determine the greater of zero (0) or the result of:  
 13 (1) the department of local government finance's estimate of  
 14 the county's maximum community mental health centers  
 15 property tax levy under IC 12-29-2-2 for the ensuing calendar  
 16 year (before any adjustment under IC 12-29-2-2(c) for the  
 17 ensuing calendar year); minus  
 18 (2) the county's maximum community mental health centers  
 19 property tax levy under IC 12-29-2-2 for the current calendar  
 20 year.  
 21 (b) In the case of a county that wishes to impose a tax rate under  
 22 IC 6-3.5-1.1-24 or IC 6-3.5-6-30 (as applicable) for the first time, the  
 23 department of local government finance and the department of state  
 24 revenue shall jointly estimate the amount that will be calculated under  
 25 subsection (a) in the second year after the tax rate is first imposed. The  
 26 department of local government finance and the department of state  
 27 revenue shall calculate the tax rate under IC 6-3.5-1.1-24 or  
 28 IC 6-3.5-6-30 (as applicable) that must be imposed in the county in the  
 29 second year after the tax rate is first imposed to raise income tax  
 30 revenue equal to the estimate under this subsection.  
 31 (c) The department and the department of local government finance  
 32 shall make the calculations under subsections (a) and (b) based on the  
 33 best information available at the time the calculation is made.  
 34 (d) Notwithstanding IC 6-3.5-1.1-24(h) and IC 6-3.5-6-30(h), if a  
 35 county has adopted an income tax rate under IC 6-3.5-1.1-24 or  
 36 IC 6-3.5-6-30 to replace property tax levy growth, the part of the tax  
 37 rate under IC 6-3.5-1.1-24 or IC 6-3.5-6-30 that was used before  
 38 January 1, 2009, to reduce levy growth in the county family and  
 39 children's fund property tax levy and the children's psychiatric  
 40 residential treatment services property tax levy shall instead be used for  
 41 property tax relief in the same manner that a tax rate under  
 42 IC 6-3.5-1.1-26 or ~~IC 6-3.5-6-30~~ **IC 6-3.5-6-32** is used for property tax

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1 relief.

2 SECTION 142. IC 6-3.5-6-1.1, AS AMENDED BY P.L.146-2008,  
3 SECTION 336, IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JULY 1, 2009]: Sec. 1.1. (a) For purposes of allocating  
5 the certified distribution made to a county under this chapter among the  
6 civil taxing units in the county, the allocation amount for a civil taxing  
7 unit is the amount determined using the following formula:

8 STEP ONE: Determine the total property taxes that are first due  
9 and payable to the civil taxing unit during the calendar year of the  
10 distribution plus, for a county, an amount equal to the welfare  
11 allocation amount.

12 STEP TWO: Determine the sum of the following:

13 (A) Amounts appropriated from property taxes to pay the  
14 principal of or interest on any debenture or other debt  
15 obligation issued after June 30, 2005, other than an obligation  
16 described in subsection (b).

17 (B) Amounts appropriated from property taxes to make  
18 payments on any lease entered into after June 30, 2005, other  
19 than a lease described in subsection (c).

20 (C) The proceeds of any property that are:

21 (i) received as the result of the issuance of a debt obligation  
22 described in clause (A) or a lease described in clause (B);  
23 and

24 (ii) appropriated from property taxes for any purpose other  
25 than to refund or otherwise refinance a debt obligation or  
26 lease described in subsection (b) or (c).

27 STEP THREE: Subtract the STEP TWO amount from the STEP  
28 ONE amount.

29 STEP FOUR: Determine the sum of:

30 (A) the STEP THREE amount; plus

31 (B) the civil taxing unit or school corporation's certified  
32 distribution for the previous calendar year.

33 **The allocation amount is subject to adjustment as provided in**  
34 **IC 36-8-19-7.5.** The welfare allocation amount is an amount equal to  
35 the sum of the property taxes imposed by the county in 1999 for the  
36 county's welfare fund and welfare administration fund and, if the  
37 county received a certified distribution under IC 6-3.5-1.1 or this  
38 chapter in 2008, the property taxes imposed by the county in 2008 for  
39 the county's county medical assistance to wards fund, family and  
40 children's fund, children's psychiatric residential treatment services  
41 fund, county hospital care for the indigent fund, and children with  
42 special health care needs county fund.

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(b) Except as provided in this subsection, an appropriation from property taxes to repay interest and principal of a debt obligation is not deducted from the allocation amount for a civil taxing unit if:

(1) the debt obligation was issued; and

(2) the proceeds appropriated from property taxes; to refund or otherwise refinance a debt obligation or a lease issued before July 1, 2005. However, an appropriation from property taxes related to a debt obligation issued after June 30, 2005, is deducted if the debt extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

(c) Except as provided in this subsection, an appropriation from property taxes to make payments on a lease is not deducted from the allocation amount for a civil taxing unit if:

(1) the lease was issued; and

(2) the proceeds were appropriated from property taxes; to refinance a debt obligation or lease issued before July 1, 2005. However, an appropriation from property taxes related to a lease entered into after June 30, 2005, is deducted if the lease extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if it had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

SECTION 143. IC 6-3.5-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A county income tax council is established for each county in Indiana. The membership of each county's county income tax council consists of the fiscal body of the county and the fiscal body of each city or town that lies either partially or entirely within that county.

(b) Using procedures described in this chapter, a county income tax council may adopt ordinances to:

(1) impose the county option income tax in its county;

(2) subject to section 12 of this chapter, rescind the county option income tax in its county;

(3) increase the county option income tax rate for the county;

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- (4) freeze the county option income tax rate for its county;
- (5) increase the homestead credit in its county; or
- (6) subject to section 12.5 of this chapter, decrease the county option income tax rate for the county.

(c) An ordinance adopted in a particular year under this chapter to impose or rescind the county option income tax or to increase its tax rate is effective ~~July~~ **October** 1 of that year.

SECTION 144. IC 6-3.5-6-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13.5. A county income tax council must before August 1 of each odd-numbered year hold at least one (1) public meeting at which the county income tax council discusses whether the county option income tax rate under this chapter should be adjusted.**

SECTION 145. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

- (1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;
- (2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);
- (3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;
- (4) make payments permitted under **IC 36-7-14-25.5** or IC 36-7-15.1-17.5;
- (5) make payments permitted under subsection (i);
- (6) make distributions of distributive shares to the civil taxing units of a county; and
- (7) make the distributions permitted under sections 27, 28, 29, 30, 31, 32, and 33 of this chapter.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain:

- (1) the amount, if any, specified by the county fiscal body for a

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1 particular calendar year under subsection (i), **IC 36-7-14-25.5**,  
 2 IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the  
 3 county's certified distribution for that same calendar year; and  
 4 (2) the amount of an additional tax rate imposed under section 27,  
 5 28, 29, 30, 31, 32, or 33 of this chapter.

6 The county auditor shall distribute amounts retained under this  
 7 subsection to the county.

8 (d) All certified distribution revenues that are not retained and  
 9 distributed under subsections (b) and (c) shall be distributed to the civil  
 10 taxing units of the county as distributive shares.

11 (e) The amount of distributive shares that each civil taxing unit in  
 12 a county is entitled to receive during a month equals the product of the  
 13 following:

14 (1) The amount of revenue that is to be distributed as distributive  
 15 shares during that month; multiplied by

16 (2) A fraction. The numerator of the fraction equals the allocation  
 17 amount for the civil taxing unit for the calendar year in which the  
 18 month falls. The denominator of the fraction equals the sum of the  
 19 allocation amounts of all the civil taxing units of the county for  
 20 the calendar year in which the month falls.

21 (f) The department of local government finance shall provide each  
 22 county auditor with the fractional amount of distributive shares that  
 23 each civil taxing unit in the auditor's county is entitled to receive  
 24 monthly under this section.

25 (g) Notwithstanding subsection (e), if a civil taxing unit of an  
 26 adopting county does not impose a property tax levy that is first due  
 27 and payable in a calendar year in which distributive shares are being  
 28 distributed under this section, that civil taxing unit is entitled to receive  
 29 a part of the revenue to be distributed as distributive shares under this  
 30 section within the county. The fractional amount such a civil taxing  
 31 unit is entitled to receive each month during that calendar year equals  
 32 the product of the following:

33 (1) The amount to be distributed as distributive shares during that  
 34 month; multiplied by

35 (2) A fraction. The numerator of the fraction equals the budget of  
 36 that civil taxing unit for that calendar year. The denominator of  
 37 the fraction equals the aggregate budgets of all civil taxing units  
 38 of that county for that calendar year.

39 (h) If for a calendar year a civil taxing unit is allocated a part of a  
 40 county's distributive shares by subsection (g), then the formula used in  
 41 subsection (e) to determine all other civil taxing units' distributive  
 42 shares shall be changed each month for that same year by reducing the

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amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter) to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 146. IC 6-3.5-6-30, AS AMENDED BY P.L.146-2008, SECTION 341, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 30. (a) In a county in which the county option income tax is in effect, the county income tax council may, before August 1 of a year, adopt an ordinance to impose or increase (as applicable) a tax rate under this section.

(b) In a county in which neither the county option adjusted gross income tax nor the county option income tax is in effect, the county income tax council may, before August 1 of a year, adopt an ordinance to impose a tax rate under this section.

(c) An ordinance adopted under this section takes effect October 1 of the year in which the ordinance is adopted. If a county income tax council adopts an ordinance to impose or increase a tax rate under this section, the county auditor shall send a certified copy of the ordinance to the department and the department of local government finance by certified mail.

(d) A tax rate under this section is in addition to any other tax rates imposed under this chapter and does not affect the purposes for which other tax revenue under this chapter may be used.

(e) The following apply only in the year in which a county income tax council first imposes a tax rate under this section:

(1) The county income tax council shall, in the ordinance imposing the tax rate, specify the tax rate for each of the following two (2) years.

(2) The tax rate that must be imposed in the county from October 1 of the year in which the tax rate is imposed through September 30 of the following year is equal to the result of:

(A) the tax rate determined for the county under IC 6-3.5-1.5-1(a) in that year; multiplied by

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- 1 (B) the following:
- 2 (i) In a county containing a consolidated city, one and
- 3 five-tenths (1.5).
- 4 (ii) In a county other than a county containing a consolidated
- 5 city, two (2).
- 6 (3) The tax rate that must be imposed in the county from October
- 7 1 of the following year through September 30 of the year after the
- 8 following year is the tax rate determined for the county under
- 9 IC 6-3.5-1.5-1(b). The tax rate under this subdivision continues
- 10 in effect in later years unless the tax rate is increased under this
- 11 section.
- 12 (4) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h),
- 13 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its
- 14 repeal), and IC 12-29-2-2(c) apply to property taxes first due and
- 15 payable in the ensuing calendar year and to property taxes first
- 16 due and payable in the calendar year after the ensuing calendar
- 17 year.
- 18 (f) The following apply only in a year in which a county income tax
- 19 council increases a tax rate under this section:
- 20 (1) The county income tax council shall, in the ordinance
- 21 increasing the tax rate, specify the tax rate for the following year.
- 22 (2) The tax rate that must be imposed in the county from October
- 23 1 of the year in which the tax rate is increased through September
- 24 30 of the following year is equal to the result of:
- 25 (A) the tax rate determined for the county under
- 26 IC 6-3.5-1.5-1(a) in the year the tax rate is increased; plus
- 27 (B) the tax rate currently in effect in the county under this
- 28 section.
- 29 The tax rate under this subdivision continues in effect in later
- 30 years unless the tax rate is increased under this section.
- 31 (3) The levy limitations in IC 6-1.1-18.5-3(g), IC 6-1.1-18.5-3(h),
- 32 IC 12-19-7-4(b) (before its repeal), IC 12-19-7.5-6(b) (before its
- 33 repeal), and IC 12-29-2-2(c) apply to property taxes first due and
- 34 payable in the ensuing calendar year.
- 35 (g) The department of local government finance shall determine the
- 36 following property tax replacement distribution amounts:
- 37 STEP ONE: Determine the sum of the amounts determined under
- 38 STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) for the
- 39 county in the preceding year.
- 40 STEP TWO: For distribution to each civil taxing unit that in the
- 41 year had a maximum permissible property tax levy limited under
- 42 IC 6-1.1-18.5-3(g), determine the result of:

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- 1 (1) the quotient of:
- 2 (A) the part of the amount determined under STEP ONE of
- 3 IC 6-3.5-1.5-1(a) in the preceding year that was attributable
- 4 to the civil taxing unit; divided by
- 5 (B) the STEP ONE amount; multiplied by
- 6 (2) the tax revenue received by the county treasurer under this
- 7 section.
- 8 STEP THREE: For distributions in 2009 and thereafter, the result
- 9 of this STEP is zero (0). For distribution to the county for deposit
- 10 in the county family and children's fund before 2009, determine
- 11 the result of:
- 12 (1) the quotient of:
- 13 (A) the amount determined under STEP TWO of
- 14 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 15 (B) the STEP ONE amount; multiplied by
- 16 (2) the tax revenue received by the county treasurer under this
- 17 section.
- 18 STEP FOUR: For distributions in 2009 and thereafter, the result
- 19 of this STEP is zero (0). For distribution to the county for deposit
- 20 in the county children's psychiatric residential treatment services
- 21 fund before 2009, determine the result of:
- 22 (1) the quotient of:
- 23 (A) the amount determined under STEP THREE of
- 24 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 25 (B) the STEP ONE amount; multiplied by
- 26 (2) the tax revenue received by the county treasurer under this
- 27 section.
- 28 STEP FIVE: For distribution to the county for community mental
- 29 health center purposes, determine the result of:
- 30 (1) the quotient of:
- 31 (A) the amount determined under STEP FOUR of
- 32 IC 6-3.5-1.5-1(a) in the preceding year; divided by
- 33 (B) the STEP ONE amount; multiplied by
- 34 (2) the tax revenue received by the county treasurer under this
- 35 section.
- 36 Except as provided in subsection (m), the county treasurer shall
- 37 distribute the portion of the certified distribution that is attributable to
- 38 a tax rate under this section as specified in this section. The county
- 39 treasurer shall make the distributions under this subsection at the same
- 40 time that distributions are made to civil taxing units under section 18
- 41 of this chapter.
- 42 (h) Notwithstanding sections 12 and 12.5 of this chapter, a county



income tax council may not decrease or rescind a tax rate imposed under this ~~chapter~~ **section**.

(i) The tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter; or

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b).

(j) The tax levy under this section shall not be considered for purposes of computing the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5) (before the repeal of those provisions) or for purposes of the credit under IC 6-1.1-20.6.

(k) A distribution under this section shall be treated as a part of the receiving civil taxing unit's property tax levy for that year for purposes of fixing its budget and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(l) If a county income tax council imposes a tax rate under this section, the county option income tax rate dedicated to locally funded homestead credits in the county may not be decreased.

(m) In the year following the year in which a county first imposes a tax rate under this section:

(1) one-third (1/3) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o), in the case of a county containing a consolidated city; and

(2) one-half (1/2) of the tax revenue that is attributable to the tax rate under this section must be deposited in the county stabilization fund established under subsection (o), in the case of a county not containing a consolidated city.

(n) A pledge of county option income taxes does not apply to revenue attributable to a tax rate under this section.

(o) A county stabilization fund is established in each county that imposes a tax rate under this section. The county stabilization fund shall be administered by the county auditor. If for a year the certified distributions attributable to a tax rate under this section exceed the amount calculated under STEP ONE through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the department of local government finance and the department of state revenue to determine the tax rate under this section, the excess shall be deposited in the county stabilization fund. Money shall be distributed from the county

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1 stabilization fund in a year by the county auditor to political  
 2 subdivisions entitled to a distribution of tax revenue attributable to the  
 3 tax rate under this section if:

4 (1) the certified distributions attributable to a tax rate under this  
 5 section are less than the amount calculated under STEP ONE  
 6 through STEP FOUR of IC 6-3.5-1.5-1(a) that is used by the  
 7 department of local government finance and the department of  
 8 state revenue to determine the tax rate under this section for a  
 9 year; or

10 (2) the certified distributions attributable to a tax rate under this  
 11 section in a year are less than the certified distributions  
 12 attributable to a tax rate under this section in the preceding year.  
 13 However, subdivision (2) does not apply to the year following the first  
 14 year in which certified distributions of revenue attributable to the tax  
 15 rate under this section are distributed to the county.

16 (p) Notwithstanding any other provision, a tax rate imposed under  
 17 this section may not exceed one percent (1%).

18 (q) A county income tax council must each year hold at least one (1)  
 19 public meeting at which the county **income tax** council discusses  
 20 whether the tax rate under this section should be imposed or increased.

21 (r) The department of local government finance and the department  
 22 of state revenue may take any actions necessary to carry out the  
 23 purposes of this section.

24 (s) Notwithstanding any other provision, in Lake County the county  
 25 council (and not the county income tax council) is the entity authorized  
 26 to take actions concerning the additional tax rate under this section.

27 SECTION 147. IC 6-3.5-6-32, AS AMENDED BY P.L.146-2008,  
 28 SECTION 343, IS AMENDED TO READ AS FOLLOWS  
 29 [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 32. (a) A  
 30 county income tax council may impose a tax rate under this section to  
 31 provide property tax relief to ~~political subdivisions~~ **taxpayers** in the  
 32 county. A county income tax council is not required to impose any  
 33 other tax before imposing a tax rate under this section.

34 (b) A tax rate under this section may be imposed in increments of  
 35 five-hundredths of one percent (0.05%) determined by the county  
 36 income tax council. A tax rate under this section may not exceed one  
 37 percent (1%).

38 (c) A tax rate under this section is in addition to any other tax rates  
 39 imposed under this chapter and does not affect the purposes for which  
 40 other tax revenue under this chapter may be used.

41 (d) If a county income tax council adopts an ordinance to impose or  
 42 increase a tax rate under this section, the county auditor shall send a

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certified copy of the ordinance to the department and the department of local government finance by certified mail.

(e) A tax rate under this section may be imposed, increased, decreased, or rescinded at the same time and in the same manner that the county income tax council may impose or increase a tax rate under section 30 of this chapter.

(f) Tax revenue attributable to a tax rate under this section may be used for any combination of the following purposes, as specified by ordinance of the county income tax council:

(1) The tax revenue may be used to provide local property tax replacement credits at a uniform rate to all taxpayers in the county. The local property tax replacement credits shall be treated for all purposes as property tax levies. The county auditor shall determine the local property tax replacement credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide local property tax replacement credits in that year. A county income tax council may not adopt an ordinance determining that tax revenue shall be used under this subdivision to provide local property tax replacement credits at a uniform rate to all taxpayers in the county unless the county council has done the following:

(A) Made available to the public the county council's best estimate of the amount of property tax replacement credits to be provided under this subdivision to homesteads, other residential property, commercial property, industrial property, and agricultural property.

(B) Adopted a resolution or other statement acknowledging that some taxpayers in the county that do not pay the tax rate under this section will receive a property tax replacement credit that is funded with tax revenue from the tax rate under this section.

(2) The tax revenue may be used to uniformly increase (before January 1, ~~2009~~ **2011**) or uniformly provide (after December 31, ~~2008~~ **2010**) the homestead credit percentage in the county. The homestead credits shall be treated for all purposes as property tax levies. The homestead credits do not reduce the basis for determining ~~the any~~ state homestead credit. ~~under IC 6-1.1-20.9 (before its repeal)~~. The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The ~~department of local government finance~~ **county auditor** shall

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determine the homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide homestead credits in that year.

(3) The tax revenue may be used to provide local property tax replacement credits at a uniform rate for all qualified residential property (as defined in IC 6-1.1-20.6-4 before January 1, 2009, and as defined in section 1 of this chapter after December 31, 2008) in the county. The local property tax replacement credits shall be treated for all purposes as property tax levies. The county auditor shall determine the local property tax replacement credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide local property tax replacement credits in that year.

(4) This subdivision applies only to Lake County. The Lake County council may adopt an ordinance providing that the tax revenue from the tax rate under this section is used for any of the following:

(A) To reduce all property tax levies imposed by the county by the granting of property tax replacement credits against those property tax levies.

(B) To provide local property tax replacement credits in Lake County in the following manner:

(i) The tax revenue under this section that is collected from taxpayers within a particular municipality in Lake County (as determined by the department based on the department's best estimate) shall be used only to provide a local property tax credit against property taxes imposed by that municipality.

(ii) The tax revenue under this section that is collected from taxpayers within the unincorporated area of Lake County (as determined by the department) shall be used only to provide a local property tax credit against property taxes imposed by the county. The local property tax credit for the unincorporated area of Lake County shall be available only to those taxpayers within the unincorporated area of the county.

(C) To provide property tax credits in the following manner:

(i) Sixty percent (60%) of the tax revenue under this section shall be used as provided in clause (B).

(ii) Forty percent (40%) of the tax revenue under this section shall be used to provide property tax replacement credits against property tax levies of the county and each township

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and municipality in the county. The percentage of the tax revenue distributed under this item that shall be used as credits against the county's levies or against a particular township's or municipality's levies is equal to the percentage determined by dividing the population of the county, township, or municipality by the sum of the total population of the county, each township in the county, and each municipality in the county.

The Lake County council shall determine whether the credits under clause (A), (B), or (C) shall be provided to homesteads, to all qualified residential property, or to all taxpayers. The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor and the fiscal body of the county and each township and municipality in the county the amount of property tax credits under this subdivision. Except as provided in subsection (g), the tax revenue under this section that is used to provide credits under this subdivision shall be treated for all purposes as property tax levies.

The county income tax council may before October 1 of a year adopt an ordinance changing the purposes for which tax revenue attributable to a tax rate under this section shall be used in the following year.

(g) The tax rate under this section shall not be considered for purposes of computing:

- (1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter;
- (2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b); or
- (3) the credit under IC 6-1.1-20.6.

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies. **To the extent the county auditor determines that income tax revenue remains from the tax under this section after providing the property tax replacement, the excess shall be credited to a dedicated county account and may be used only for property tax replacement under this section in subsequent years.**

(i) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

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(j) Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the tax rate under this section.

SECTION 148. IC 6-3.5-7-12, AS AMENDED BY P.L.146-2008, SECTION 346, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) Except as provided in sections 23, 25, 26, 27, and 28 of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and sections 15 and 25 of this chapter, **and subject to adjustment as provided in IC 36-8-19-7.5**, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

(1) The amount of the certified distribution for that month; multiplied by

(2) A fraction. The numerator of the fraction equals the sum of:

(A) total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus

(B) for a county, the welfare allocation amount.

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus the welfare allocation amount. The welfare allocation amount is an amount equal to the sum of the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund and, if the county received a certified distribution under this chapter in 2008, the property taxes imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, and children with special health care needs county fund.

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

(1) The ordinance is effective January 1 of the following year.

(2) Except as provided in sections 25 and 26 of this chapter, the

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amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:

(A) the amount of the certified distribution for the month; multiplied by

(B) a fraction. For a city or town, the numerator of the fraction equals the population of the city or the town. For a county, the numerator of the fraction equals the population of the part of the county that is not located in a city or town. The denominator of the fraction equals the sum of the population of all cities and towns located in the county and the population of the part of the county that is not located in a city or town.

(3) The ordinance may be made irrevocable for the duration of specified lease rental or debt service payments.

(d) The body imposing the tax may not adopt an ordinance under subsection (c) if, before the adoption of the proposed ordinance, any of the following have pledged the county economic development income tax for any purpose permitted by IC 5-1-14 or any other statute:

(1) The county.

(2) A city or town in the county.

(3) A commission, a board, a department, or an authority that is authorized by statute to pledge the county economic development income tax.

(e) The department of local government finance shall provide each county auditor with the fractional amount of the certified distribution that the county and each city or town in the county is entitled to receive under this section.

(f) Money received by a county, city, or town under this section shall be deposited in the unit's economic development income tax fund.

(g) Except as provided in subsection (b)(2)(B), in determining the fractional amount of the certified distribution the county and its cities and towns are entitled to receive under subsection (b) during a calendar year, the department of local government finance shall consider only property taxes imposed on tangible property subject to assessment in that county.

(h) In a county having a consolidated city, only the consolidated city is entitled to the certified distribution, subject to the requirements of sections 15, 25, and 26 of this chapter.

SECTION 149. IC 6-6-5-10, AS AMENDED BY P.L.146-2008, SECTION 353, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. (a) The bureau shall establish procedures necessary for the collection of the tax imposed by this

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chapter and for the proper accounting for the same. The necessary forms and records shall be subject to approval by the state board of accounts.

(b) The county treasurer, upon receiving the excise tax collections, shall receipt such collections into a separate account for settlement thereof at the same time as property taxes are accounted for and settled in June and December of each year, with the right and duty of the treasurer and auditor to make advances prior to the time of final settlement of such property taxes in the same manner as provided in IC 5-13-6-3.

(c) As used in this subsection, "taxing district" has the meaning set forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, and "tuition support levy" refers to a school corporation's tuition support property tax levy under IC 20-45-3-11 (repealed) for the school corporation's general fund. The county auditor shall determine the total amount of excise taxes collected for each taxing district in the county and the amount so collected (and the distributions received under section 9.5 of this chapter) shall be apportioned and distributed among the respective funds of the taxing units in the same manner and at the same time as property taxes are apportioned and distributed (**subject to adjustment as provided in IC 36-8-19-7.5**). However, for purposes of determining distributions under this section for 2009 and each year thereafter, a state welfare and tuition support allocation shall be deducted from the total amount available for apportionment and distribution to taxing units under this section before any apportionment and distribution is made. The county auditor shall remit the state welfare and tuition support allocation to the treasurer of state for deposit, as directed by the budget agency. The amount of the state welfare and tuition support allocation for a county for a particular year is equal to the result determined under STEP FOUR of the following formula:

STEP ONE: Determine the result of the following:

(A) Separately for 1997, 1998, and 1999 for each taxing district in the county, determine the result of:

(i) the amount appropriated in the year by the county from the county's county welfare fund and county welfare administration fund; divided by

(ii) the total amounts appropriated by all taxing units in the county for the same year.

(B) Determine the sum of the clause (A) amounts.

(C) Divide the clause (B) amount by three (3).

(D) Determine the result of:

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- 1 (i) the amount of excise taxes allocated to the taxing district
- 2 that would otherwise be available for distribution to taxing
- 3 units in the taxing district; multiplied by
- 4 (ii) the clause (C) amount.
- 5 STEP TWO: Determine the result of the following:
- 6 (A) Separately for 2006, 2007, and 2008 for each taxing
- 7 district in the county, determine the result of:
- 8 (i) the tax rate imposed in the taxing district for the county's
- 9 county medical assistance to wards fund, family and
- 10 children's fund, children's psychiatric residential treatment
- 11 services fund, county hospital care for the indigent fund,
- 12 children with special health care needs county fund, plus, in
- 13 the case of Marion County, the tax rate imposed by the
- 14 health and hospital corporation that was necessary to raise
- 15 thirty-five million dollars (\$35,000,000) from all taxing
- 16 districts in the county; divided by
- 17 (ii) the aggregate tax rate imposed in the taxing district for
- 18 the same year.
- 19 (B) Determine the sum of the clause (A) amounts.
- 20 (C) Divide the clause (B) amount by three (3).
- 21 (D) Determine the result of:
- 22 (i) the amount of excise taxes allocated to the taxing district
- 23 that would otherwise be available for distribution to taxing
- 24 units in the taxing district after subtracting the STEP ONE
- 25 (D) amount for the same taxing district; multiplied by
- 26 (ii) the clause (C) amount.
- 27 (E) Determine the sum of the clause (D) amounts for all taxing
- 28 districts in the county.
- 29 STEP THREE: Determine the result of the following:
- 30 (A) Separately for 2006, 2007, and 2008 for each taxing
- 31 district in the county, determine the result of:
- 32 (i) the tuition support levy tax rate imposed in the taxing
- 33 district plus the tax rate imposed by the school corporation
- 34 for the school corporation's special education preschool fund
- 35 in the district; divided by
- 36 (ii) the aggregate tax rate imposed in the taxing district for
- 37 the same year.
- 38 (B) Determine the sum of the clause (A) amounts.
- 39 (C) Divide the clause (B) amount by three (3).
- 40 (D) Determine the result of:
- 41 (i) the amount of excise taxes allocated to the taxing district
- 42 that would otherwise be available for distribution to taxing

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units in the taxing district after subtracting the STEP ONE  
(D) amount for the same taxing district; multiplied by  
(ii) the clause (C) amount.

(E) Determine the sum of the clause (D) amounts for all taxing  
districts in the county.

STEP FOUR: Determine the sum of the STEP ONE, STEP TWO,  
and STEP THREE amounts for the county.

If the boundaries of a taxing district change after the years for which a  
ratio is calculated under STEP ONE, STEP TWO, or STEP THREE,  
the budget agency shall establish a ratio for the new taxing district that  
reflects the tax rates imposed in the predecessor taxing districts.

(d) Such determination shall be made from copies of vehicle  
registration forms furnished by the bureau of motor vehicles. Prior to  
such determination, the county assessor of each county shall, from  
copies of registration forms, cause information pertaining to legal  
residence of persons owning taxable vehicles to be verified from the  
assessor's records, to the extent such verification can be so made. The  
assessor shall further identify and verify from the assessor's records the  
several taxing units within which such persons reside.

(e) Such verifications shall be done by not later than thirty (30) days  
after receipt of vehicle registration forms by the county assessor, and  
the assessor shall certify such information to the county auditor for the  
auditor's use as soon as it is checked and completed.

SECTION 150. IC 6-6-5.5-20, AS AMENDED BY P.L.146-2008,  
SECTION 354, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE JULY 1, 2009]: Sec. 20. (a) On or before May 1, subject  
to subsections (c) and (d), the auditor of state shall distribute to each  
county auditor an amount equal to fifty percent (50%) of the total base  
revenue to be distributed to all taxing units in the county for that year.

(b) On or before December 1, subject to subsections (c) and (d), the  
auditor of state shall distribute to each county auditor an amount equal  
to the greater of the following:

(1) Fifty percent (50%) of the total base revenue to be distributed  
to all taxing units in the county for that year.

(2) The product of the county's distribution percentage multiplied  
by the total commercial vehicle excise tax revenue deposited in  
the commercial vehicle excise tax fund.

(c) Before distributing the amounts under subsections (a) and (b),  
the auditor of state shall deduct for a county unit an amount for deposit  
in a state fund, as directed by the budget agency, equal to the result  
determined under STEP FIVE of the following formula:

STEP ONE: Separately for 2006, 2007, and 2008, determine the

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1 result of:

2 (A) the tax rate imposed by the county in the year for the  
3 county's county medical assistance to wards fund, family and  
4 children's fund, children's psychiatric residential treatment  
5 services fund, county hospital care for the indigent fund,  
6 children with special health care needs county fund, plus, in  
7 the case of Marion County, the tax rate imposed by the health  
8 and hospital corporation that was necessary to raise thirty-five  
9 million dollars (\$35,000,000) from all taxing districts in the  
10 county; divided by

11 (B) the aggregate tax rate imposed by the county unit and, in  
12 the case of Marion County, the health and hospital corporation  
13 in the year.

14 STEP TWO: Determine the sum of the STEP ONE amounts.

15 STEP THREE: Divide the STEP TWO result by three (3).

16 STEP FOUR: Determine the amount that would otherwise be  
17 distributed to the county under subsection (a) or (b), as  
18 appropriate, without regard to this subsection.

19 STEP FIVE: Determine the result of:

20 (A) the STEP THREE amount; multiplied by

21 (B) the STEP FOUR result.

22 (d) Before distributing the amounts under subsections (a) and (b),  
23 the auditor of state shall deduct for a school corporation an amount for  
24 deposit in a state fund, as directed by the budget agency, equal to the  
25 result determined under STEP FIVE of the following formula:

26 STEP ONE: Separately for 2006, 2007, and 2008, determine the  
27 result of:

28 (A) the tax rate imposed by the school corporation in the year  
29 for the tuition support levy under IC 6-1.1-19-1.5 (repealed) or  
30 IC 20-45-3-11 (repealed) for the school corporation's general  
31 fund plus the tax rate imposed by the school corporation for  
32 the school corporation's special education preschool fund;  
33 divided by

34 (B) the aggregate tax rate imposed by the school corporation  
35 in the year.

36 STEP TWO: Determine the sum of the results determined under  
37 STEP ONE.

38 STEP THREE: Divide the STEP TWO result by three (3).

39 STEP FOUR: Determine the amount of commercial vehicle  
40 excise tax that would otherwise be distributed to the school  
41 corporation under subsection (a) or (b), as appropriate, without  
42 regard to this subsection.

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1 STEP FIVE: Determine the result of:

2 (A) the STEP FOUR amount; multiplied by

3 (B) the STEP THREE result.

4 (e) Upon receipt, the county auditor shall distribute to the taxing  
5 units an amount equal to the product of the taxing unit's distribution  
6 percentage multiplied by the total distributed to the county under this  
7 section. The amount determined shall be apportioned and distributed  
8 among the respective funds of each taxing unit in the same manner and  
9 at the same time as property taxes are apportioned and distributed  
10 **(subject to adjustment as provided in IC 36-8-19-7.5).**

11 (f) In the event that sufficient funds are not available in the  
12 commercial vehicle excise tax fund for the distributions required by  
13 subsection (a) and subsection (b)(1), the auditor of state shall transfer  
14 funds from the commercial vehicle excise tax reserve fund.

15 (g) The auditor of state shall, not later than July 1 of each year,  
16 furnish to each county auditor an estimate of the amounts to be  
17 distributed to the counties under this section during the next calendar  
18 year. Before August 1, each county auditor shall furnish to the proper  
19 officer of each taxing unit of the county an estimate of the amounts to  
20 be distributed to the taxing units under this section during the next  
21 calendar year and the budget of each taxing unit shall show the  
22 estimated amounts to be received for each fund for which a property  
23 tax is proposed to be levied.

24 SECTION 151. IC 6-6-6.5-21, AS AMENDED BY P.L.146-2008,  
25 SECTION 355, IS AMENDED TO READ AS FOLLOWS  
26 [EFFECTIVE JULY 1, 2009]: Sec. 21. (a) The department shall  
27 allocate each aircraft excise tax payment collected by it to the county  
28 in which the aircraft is usually located when not in operation or to the  
29 aircraft owner's county of residence if based out of state. The  
30 department shall distribute to each county treasurer on a quarterly basis  
31 the aircraft excise taxes which were collected by the department during  
32 the preceding three (3) months and which the department has allocated  
33 to that county. The distribution shall be made on or before the fifteenth  
34 of the month following each quarter and the first distribution each year  
35 shall be made in April.

36 (b) Concurrently with making a distribution of aircraft excise taxes,  
37 the department shall send an aircraft excise tax report to the county  
38 treasurer and the county auditor. The department shall prepare the  
39 report on the form prescribed by the state board of accounts. The  
40 aircraft excise tax report must include aircraft identification, owner  
41 information, and excise tax payment, and must indicate the county  
42 where the aircraft is normally kept when not in operation. The

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1 department shall, in the manner prescribed by the state board of  
2 accounts, maintain records concerning the aircraft excise taxes  
3 received and distributed by it.

4 (c) Except as provided in section 21.5 of this chapter, each county  
5 treasurer shall deposit money received by ~~him~~ **the treasurer** under this  
6 chapter in a separate fund to be known as the "aircraft excise tax fund".  
7 The money in the aircraft excise tax fund shall be distributed to the  
8 taxing units of the county in the manner prescribed in subsection (d).

9 (d) As used in this subsection, "taxing district" has the meaning set  
10 forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in  
11 IC 6-1.1-1-21, and "tuition support levy" refers to a school  
12 corporation's tuition support property tax levy under IC 20-45-3-11  
13 (repealed) for the school corporation's general fund. In order to  
14 distribute the money in the county aircraft excise tax fund to the taxing  
15 units of the county, the county auditor shall first allocate the money in  
16 the fund among the taxing districts of the county. In making these  
17 allocations, the county auditor shall allocate to a taxing district the  
18 excise taxes collected with respect to aircraft usually located in the  
19 taxing district when not in operation. Subject to this subsection, the  
20 money allocated to a taxing district shall be apportioned and distributed  
21 among the taxing units of that taxing district in the same manner and  
22 at the same time that the property taxes are apportioned and distributed  
23 **(subject to adjustment as provided in IC 36-8-19-7.5)**. For purposes  
24 of determining the distribution for a year under this section for a taxing  
25 unit, a state welfare and tuition support allocation shall be deducted  
26 from the total amount available for apportionment and distribution to  
27 taxing units under this section before any apportionment and  
28 distribution is made. The county auditor shall remit the state welfare  
29 and tuition support allocation to the treasurer of state for deposit as  
30 directed by the budget agency. The amount of the state welfare and  
31 tuition support allocation for a county for a particular year is equal to  
32 the result determined under STEP THREE of the following formula:

33 STEP ONE: Determine the result of the following:

34 (A) Separately for 2006, 2007, and 2008 for each taxing  
35 district in the county, determine the result of:

36 (i) the tax rate imposed in the taxing district for the county's  
37 county medical assistance to wards fund, family and  
38 children's fund, children's psychiatric residential treatment  
39 services fund, county hospital care for the indigent fund,  
40 children with special health care needs county fund, plus, in  
41 the case of Marion County, the tax rate imposed by the  
42 health and hospital corporation that was necessary to raise

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- 1 thirty-five million dollars (\$35,000,000) from all taxing  
 2 districts in the county; divided by  
 3 (ii) the aggregate tax rate imposed in the taxing district for  
 4 the same year.
- 5 (B) Determine the sum of the clause (A) amounts.  
 6 (C) Divide the clause (B) amount by three (3).  
 7 (D) Determine the result of:  
 8 (i) the amount of excise taxes allocated to the taxing district  
 9 that would otherwise be available for distribution to taxing  
 10 units in the taxing district; multiplied by  
 11 (ii) the clause (C) amount.
- 12 (E) Determine the sum of the clause (D) amounts for all taxing  
 13 districts in the county.
- 14 STEP TWO: Determine the result of the following:  
 15 (A) Separately for 2006, 2007, and 2008 for each taxing  
 16 district in the county, determine the result of:  
 17 (i) the tuition support levy tax rate imposed in the taxing  
 18 district plus the tax rate imposed by the school corporation  
 19 for the school corporation's special education preschool fund  
 20 in the district; divided by  
 21 (ii) the aggregate tax rate imposed in the taxing district for  
 22 the same year.
- 23 (B) Determine the sum of the clause (A) amounts.  
 24 (C) Divide the clause (B) amount by three (3).  
 25 (D) Determine the result of:  
 26 (i) the amount of excise taxes allocated to the taxing district  
 27 that would otherwise be available for distribution to taxing  
 28 units in the taxing district; multiplied by  
 29 (ii) the clause (C) amount.
- 30 (E) Determine the sum of the clause (D) amounts for all taxing  
 31 districts in the county.
- 32 STEP THREE: Determine the sum of the STEP ONE and STEP  
 33 TWO amounts for the county.
- 34 If the boundaries of a taxing district change after the years for which a  
 35 ratio is calculated under STEP ONE or STEP TWO, the budget agency  
 36 shall establish a ratio for the new taxing district that reflects the tax  
 37 rates imposed in the predecessor taxing districts.
- 38 (e) Within thirty (30) days following the receipt of excise taxes from  
 39 the department, the county treasurer shall file a report with the county  
 40 auditor concerning the aircraft excise taxes collected by the county  
 41 treasurer. The county treasurer shall file the report on the form  
 42 prescribed by the state board of accounts. The county treasurer shall,

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1 in the manner and at the times prescribed in IC 6-1.1-27, make a  
 2 settlement with the county auditor for the aircraft excise taxes collected  
 3 by the county treasurer. The county treasurer shall, in the manner  
 4 prescribed by the state board of accounts, maintain records concerning  
 5 the aircraft excise taxes received and distributed by ~~him~~; **the treasurer.**

6 SECTION 152. IC 6-6-11-31, AS AMENDED BY P.L.146-2008,  
 7 SECTION 357, IS AMENDED TO READ AS FOLLOWS  
 8 [EFFECTIVE JULY 1, 2009]: Sec. 31. (a) A boat excise tax fund is  
 9 established in each county. Each county treasurer shall deposit in the  
 10 fund the taxes received under this chapter.

11 (b) As used in this subsection, "taxing district" has the meaning set  
 12 forth in IC 6-1.1-1-20, "taxing unit" has the meaning set forth in  
 13 IC 6-1.1-1-21, and "tuition support levy" refers to a school  
 14 corporation's tuition support property tax levy under IC 20-45-3-11  
 15 (repealed) for the school corporation's general fund. The excise tax  
 16 money in the county boat excise tax fund shall be distributed to the  
 17 taxing units of the county. The county auditor shall allocate the money  
 18 in the fund among the taxing districts of the county based on the tax  
 19 situs of each boat. Subject to this subsection, the money allocated to the  
 20 taxing units shall be apportioned and distributed among the funds of  
 21 the taxing units in the same manner and at the same time that property  
 22 taxes are apportioned and distributed **(subject to adjustment as**  
 23 **provided in IC 36-8-19-7.5).** For purposes of determining the  
 24 distribution for a year under this section for a taxing unit, a state  
 25 welfare and tuition support allocation shall be deducted from the total  
 26 amount available for apportionment and distribution to taxing units  
 27 under this section before any apportionment and distribution is made.  
 28 The county auditor shall remit the state welfare and tuition support  
 29 allocation to the treasurer of state for deposit as directed by the budget  
 30 agency. The amount of the state welfare and tuition support allocation  
 31 for a county for a particular year is equal to the result determined under  
 32 STEP THREE of the following formula:

33 STEP ONE: Determine the result of the following:

34 (A) Separately for 2006, 2007, and 2008 for each taxing  
 35 district in the county, determine the result of:

36 (i) the tax rate imposed in the taxing district for the county's  
 37 county medical assistance to wards fund, family and  
 38 children's fund, children's psychiatric residential treatment  
 39 services fund, county hospital care for the indigent fund,  
 40 children with special health care needs county fund, plus, in  
 41 the case of Marion County, the tax rate imposed by the  
 42 health and hospital corporation that was necessary to raise

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1 thirty-five million dollars (\$35,000,000) from all taxing  
 2 districts in the county; divided by  
 3 (ii) the aggregate tax rate imposed in the taxing district for  
 4 the same year.  
 5 (B) Determine the sum of the clause (A) amounts.  
 6 (C) Divide the clause (B) amount by three (3).  
 7 (D) Determine the result of:  
 8 (i) the amount of excise taxes allocated to the taxing district  
 9 that would otherwise be available for distribution to taxing  
 10 units in the taxing district; multiplied by  
 11 (ii) the clause (C) amount.  
 12 (E) Determine the sum of the clause (D) amounts for all taxing  
 13 districts in the county.  
 14 STEP TWO: Determine the result of the following:  
 15 (A) Separately for 2006, 2007, and 2008 for each taxing  
 16 district in the county, determine the result of:  
 17 (i) the tuition support levy tax rate imposed in the taxing  
 18 district plus the tax rate imposed by the school corporation  
 19 for the school corporation's special education preschool fund  
 20 in the district; divided by  
 21 (ii) the aggregate tax rate imposed in the taxing district for  
 22 the same year.  
 23 (B) Determine the sum of the clause (A) amounts.  
 24 (C) Divide the clause (B) amount by three (3).  
 25 (D) Determine the result of:  
 26 (i) the amount of excise taxes allocated to the taxing district  
 27 that would otherwise be available for distribution to taxing  
 28 units in the taxing district; multiplied by  
 29 (ii) the clause (C) amount.  
 30 (E) Determine the sum of the clause (D) amounts for all taxing  
 31 districts in the county.  
 32 STEP THREE: Determine the sum of the STEP ONE and STEP  
 33 TWO amounts for the county.  
 34 If the boundaries of a taxing district change after the years for which a  
 35 ratio is calculated under STEP ONE or STEP TWO, the budget agency  
 36 shall establish a ratio for the new taxing district that reflects the tax  
 37 rates imposed in the predecessor taxing districts.  
 38 SECTION 153. IC 6-9-39-5, AS AMENDED BY P.L.3-2008,  
 39 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40 JANUARY 1, 2009 (RETROACTIVE)]: Sec. 5. (a) The fiscal body of  
 41 a county may collect a county option dog tax imposed under section 3  
 42 of this chapter by any combination of the following methods:

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(1) By designating one (1) or more persons in the county to collect the tax.

(2) By requiring a person who harbors or keeps a taxable dog to submit a complete and accurate county option dog tax return.

(3) By a method other than a method described in subdivision (1) or (2) as determined by the fiscal body of the county.

(b) A designee under subsection (a)(1) may retain a fee from the tax collected for each taxable dog in an amount determined by the fiscal body not to exceed seventy-five cents (\$0.75). A designee shall remit the balance of the money collected to the county treasurer by the tenth day of each month.

(c) If a fiscal body chooses to collect a county option dog tax imposed under section 3 of this chapter by requiring the submission of a county option dog tax return under subsection (a), the county treasurer may include a county option dog tax return form with every property tax statement that is mailed **under IC 6-1.1-22-8.1** to a person ~~under IC 6-1.1-22-8.1(b)(1); other than a mortgagee maintaining an escrow account.~~

(d) The department of local government finance shall prescribe a county option dog tax return form that a county may use for the reporting of county option dog tax liability.

SECTION 154. IC 8-22-3.5-11, AS AMENDED BY P.L.154-2006, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 11. (a) The state board of accounts and the department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department consider appropriate for the implementation of this chapter.

(b) After each ~~general~~ reassessment **of real property in an airport development zone under a county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) one (1) time to neutralize any effect of the ~~general~~ reassessment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

(c) After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

SECTION 155. IC 12-20-25-45 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:



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Sec. 45. (a) Notwithstanding IC 6-3.5-6, after the termination of the controlled status of all townships located in a county as provided in section 41 of this chapter and if the county option income tax is imposed under this chapter, the county fiscal body may adopt an ordinance to:

(1) ~~increase the percentage~~ **allow a credit** ~~allowed~~ for homesteads in the county under ~~IC 6-1.1-20.9-2~~; **IC 6-3.5-6-13**; or

(2) reduce the county option income tax rate for resident county taxpayers to a rate not less than the greater of:

(A) the minimum rate necessary to satisfy the requirements of section 43 of this chapter; or

(B) the minimum rate necessary to satisfy the requirements of sections 43 and 46(2) of this chapter if an ordinance is adopted under subdivision (1).

(b) A county fiscal body may not ~~increase the~~ **set a** percentage credit allowed for homesteads in such a manner that ~~more than eight percent (8%) is added to the percentage established under IC 6-1.1-20.9-2(d)~~; **exceeds the maximum homestead credit permitted under IC 6-3.5-6-13.**

(c) The increase in the homestead credit percentage must be uniform for all homesteads in a county.

(d) In an ordinance that increases the homestead credit percentage, the county fiscal body may provide for a series of increases or decreases to take place for each of a group of succeeding calendar years.

(e) An ordinance may be adopted under this section after January 1 but before June 1 of a calendar year.

(f) An ordinance adopted under this section takes effect January 1 of the next calendar year.

(g) An ordinance adopted under this section for a county is not applicable for a year if on January 1 of that year the county option income tax is not in effect.

SECTION 156. IC 12-20-25-46 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:  
Sec. 46. After the termination of the controlled status of all townships located in a county as provided in section 41 of this chapter, if the county adjusted gross income tax or the county option income tax is imposed under this chapter, any revenues from the county adjusted gross income tax or the county option income tax imposed under this chapter shall be distributed in the following priority:

(1) To satisfy the requirements of section 43 of this chapter.

(2) If the county option income tax imposed under this chapter is

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in effect, to replace the amount, if any, of property tax revenue lost due to the allowance of ~~an increased~~ a homestead credit within the county **under IC 6-3.5-6-13.**

(3) To be used as a certified distribution as provided in IC 6-3.5-1.1 or IC 6-3.5-6, whichever applies.

SECTION 157. IC 12-29-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:

Sec. 1. (a) The county executive of a county may authorize the furnishing of financial assistance to a community mental retardation and other developmental disabilities center that is located or will be located in the county.

(b) Assistance authorized under this section shall be used for the following purposes:

(1) Constructing a center.

(2) Operating a center.

(c) Upon request of the county executive, the county fiscal body may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in subsection

(b). The appropriation may not exceed the amount that could be collected from an annual tax levy of not more than three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

**(d) If a county did not provide financial assistance under this chapter before January 1, 2009, the county may propose a financial assistance budget for an ensuing calendar year. The county shall refer its proposed budget for the first calendar year to the department of local government finance before the tax levy is advertised. The budget for the first calendar year is subject to review and approval under IC 6-1.1-18.5-10.**

SECTION 158. IC 12-29-2-1.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:

Sec. 1.2. (a) The county executive of a county may authorize the furnishing of financial assistance for the purposes described in subsection (b) to a community mental health center that is located or will be located:

(1) in the county;

(2) anywhere in Indiana, if the community mental health center is organized to provide services to at least two (2) counties, including the county executive's county; or

(3) in an adjacent state, if the center is organized to provide services to Indiana residents, including residents in the county executive's county.

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If a community mental health center is organized to serve more than one (1) county, upon request of the county executive, each county fiscal body may appropriate money annually from the county's general fund to provide financial assistance for the community mental health center.

(b) Assistance authorized under this section shall be used for the following purposes:

(1) Constructing a community mental health center.

(2) Operating a community mental health center.

(c) The appropriation from a county authorized under subsection (a) may not exceed the following:

~~(1) For 2004, the product of the amount determined under section 2(b)(1) of this chapter multiplied by one and five hundred four thousandths (1.504);~~

~~(2) for 2005 and each year thereafter, the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by one and five hundred four thousandths (1.504).~~

**(d) If a county did not provide financial assistance under this chapter before January 1, 2009, the county may propose a financial assistance budget for an ensuing calendar year. The county shall refer its proposed budget for the first calendar year to the department of local government finance before the tax levy is advertised. The budget for the first calendar year is subject to review and approval under IC 6-1.1-18.5-10.**

SECTION 159. IC 13-21-3-16, AS AMENDED BY P.L.189-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) The requirements of this section:

(1) are in addition to the requirements set forth in IC 6-1.1-18.5-7(b); and

(2) do not apply to a district that:

(A) owns a landfill;

(B) will use property tax revenue to:

(i) construct a new landfill cell; or

(ii) close a landfill cell;

at the landfill; and

(C) has received approval from the county fiscal body of the county in which the landfill is located to construct or close the landfill cell.

(b) ~~To be eligible to include within the district's budget for the following year tax revenue derived from the imposition of a property tax; For the first year that a property tax will be imposed and any subsequent year in which the proposed tax levy will increase by five percent (5%) or more; a by a district, the district's board must in the~~

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**previous year** present identical resolutions to each of the county fiscal bodies within the district seeking approval for the use of property tax revenue within the district. The resolution must state the proposed property tax levy and the proposed use of the revenue. The resolution:

**(1) may not be presented under this subsection before the board complies with subsection (h);**

**(2) must be approved by a majority vote of all members of the board; and**

**(3) must be stated so that:**

**(1) (A)** a "yes" vote indicates approval of the levy and the proposed use of property tax revenue within the district; and

**(2) (B)** a "no" vote indicates disapproval of the levy and the proposed use of property tax revenue within the district.

**(c) The following apply for the second and subsequent years in which a district will impose a property tax levy:**

**(1) The district's proposed property tax levy and proposed budget must be approved by a majority vote of all members of the board.**

**(2) The district's proposed property tax levy and proposed budget are subject to review and approval under IC 6-1.1-17-20 or IC 36-3-6-9 (as applicable) if required by those statutes.**

**(d) For a resolution described in subsection (b) to be approved by the county fiscal body:**

**(1) the county fiscal body must record the vote taken on the resolution under subsection (b) before May August 1 of the year in which the vote was taken; and**

**(2) the recorded vote must indicate approval of the use of property tax revenue within the district.**

**(e) If all of the county fiscal bodies within a district do not record the approval described in subsection (d) before May August 1 of the year in which the vote under subsection (b) was taken, the board may not:**

**(1) impose; or**

**(2) include within the budget of the board;**

**a property tax for the year following the year in which the vote was taken.**

**(f) Notwithstanding subsection (d); after the first year a tax is imposed under this section; the resolution required by subsection (b) for a district that is located in more than two (2) counties need only be approved by a majority of the county fiscal bodies for the counties in which the district is located.**

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(f) A district may not issue bonds to be repaid, directly or indirectly, with money or property tax revenue of the district until a majority of the members of each of the county fiscal bodies within a district passes a resolution approving the bond issue.

**(g) Subsection (c) applies regardless of whether property taxes are imposed in the district under this chapter in the immediately preceding calendar year.**

**(h) Subject to subsection (i), a board may present a resolution under subsection (b) or approve the district's proposed property tax levy and proposed budget under subsection (c) only after public notice and a public hearing before the board at which:**

**(1) all persons using facilities, owning property, or generating solid waste within the district who are benefited by solid waste management; and**

**(2) other interested persons;**

**have an opportunity to be heard concerning the proposed property taxes.**

**(i) A board that proposes to impose:**

**(1) property taxes under this section; and**

**(2) solid waste management fees under IC 13-21-14-1;**

**for a calendar year shall consolidate the public hearing required by subsection (h) with the public hearing required by IC 13-21-14-5.**

**(j) If a district will impose property taxes in the following year but:**

**(1) the district is not required to adopt a resolution under subsection (b) and present the resolution to the county fiscal body for approval; and**

**(2) the district is not required by IC 6-1.1-17-20 or IC 36-3-6-9 (as applicable) to have the district's proposed budget and proposed property levy reviewed and approved by the county fiscal body;**

**the district's proposed budget and property tax levy for the following year are subject to review and a nonbinding recommendation by the county fiscal body under IC 6-1.1-17-3.5.**

SECTION 160. IC 13-21-3-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 21. **(a)** Before the board of a district may adopt an annual budget, the budget must be:

**(1) approved by the department of local government finance; and**

**(2) sent to:**

**(A) the executive; and**

**(B) the fiscal body;**

**of each county and municipality located within the district as a**

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1 matter of record.

2 **(b) The district's annual budget must be approved by a majority**  
 3 **vote of all members of the board.**

4 SECTION 161. IC 13-21-4-6 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. (a) If a county  
 6 withdraws from or the county executives of a joint district remove a  
 7 county from a joint district, the county must:

- 8 (1) designate itself as a new county district;  
 9 (2) join one (1) or more other counties to form a new joint district;  
 10 or  
 11 (3) join an existing joint district;

12 under the procedures set forth in IC 13-21-3.

13 (b) If a county:

- 14 (1) designates itself as a new county district; or  
 15 (2) joins one (1) or more other counties to form a new joint  
 16 district;

17 the county district or new joint district shall, **after a public hearing,**  
 18 submit a district plan to the commissioner as provided under  
 19 IC 13-21-5. **If the new county district or new joint district will**  
 20 **impose property taxes in the year after designating itself as a new**  
 21 **county district or forming the new joint district, each of the county**  
 22 **fiscal bodies within the new county district or new joint district**  
 23 **must approve the use of property taxes by the district under the**  
 24 **procedures specified in IC 13-21-3-16(b) and IC 13-21-3-16(h).**

25 (c) If a county joins an existing joint district, the joint district shall,  
 26 **after a public hearing,** amend the joint district's district plan as  
 27 provided under IC 13-21-5. **If the joint district will impose property**  
 28 **taxes in the year after a county joins the joint district, each of the**  
 29 **county fiscal bodies within the joint district must approve the use**  
 30 **of property taxes under the procedures specified in**  
 31 **IC 13-21-3-16(b) and IC 13-21-3-16(h).**

32 (d) If a county withdraws or is removed from a joint district that  
 33 consists of more than two (2) counties, the joint district shall, **after a**  
 34 **public hearing,** amend the joint district's district plan as provided  
 35 under IC 13-21-5. **If the joint district will impose property taxes in**  
 36 **the year after a county withdraws or is removed from the joint**  
 37 **district, each of the county fiscal bodies within the joint district**  
 38 **must approve the use of property taxes under the procedures**  
 39 **specified in IC 13-21-3-16(b) and IC 13-21-3-16(h).**

40 (e) The following apply if a joint district is dissolved or if all but  
 41 one (1) of the counties participating in a joint district have  
 42 withdrawn from the joint district or have been removed from the

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joint district:

(1) The county executive of each county that was participating in the joint district must:

(A) designate itself as a new county district;

(B) join one (1) or more other counties to form a new joint district; or

(C) join an existing joint district;

as provided in this section.

(2) In the case where all but one (1) of the counties participating in a joint district have withdrawn from the joint district or have been removed from the joint district, the county that did not withdraw or was not removed from the joint district must still comply with the requirements of subdivision (1).

(3) The following apply if the county that did not withdraw or was not removed from the joint district does not join one (1) or more other counties to form a new joint district or does not join an existing joint district:

(A) The county must designate itself as a new county district and shall be treated for purposes of this article as a new county district.

(B) The district must, after a public hearing, adopt and submit to the commissioner for approval a new district solid waste management plan that meets the requirements of IC 13-21-5 and the criteria and other elements set forth in the state plan. The district must follow the procedures of IC 13-21-5 in creating and submitting the district's new solid waste management plan.

(C) The district must, after a public hearing, adopt a new budget for the district.

(D) If the district will impose property taxes in the following year, the county fiscal body must approve the use of property taxes under the procedures specified in IC 13-21-3-16.

(E) The board of the district shall appoint and convene a new solid waste management advisory committee of citizens under IC 13-21-3-11.

(f) This subsection applies to a joint district if all but one (1) of the counties participating in the joint district withdrew from the joint district and the last county to withdraw did so effective after December 1, 2006, and before January 1, 2009. If the county that did not withdraw from the district did not designate itself as a new

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1 county district, join one (1) or more other counties to form a new  
 2 joint district, or join an existing joint district, the county must take  
 3 one (1) of these actions before January 1, 2010. If the county that  
 4 did not withdraw from the district designates itself as a new county  
 5 district, the following apply:

6 (1) The county shall be treated for purposes of this article as  
 7 a new county district.

8 (2) The district must after a public hearing adopt and submit  
 9 to the commissioner for approval a new district solid waste  
 10 management plan that meets the requirements of IC 13-21-5  
 11 and the criteria and other elements set forth in the state plan.  
 12 The district must follow the procedures of IC 13-21-5 in  
 13 creating and submitting the district's new solid waste  
 14 management plan.

15 (3) The district must, after a public hearing, adopt a new  
 16 budget for the district.

17 (4) If the district will impose property taxes in the following  
 18 year, the county fiscal body must approve the use of property  
 19 taxes under the procedures specified in IC 13-21-3-16.

20 (5) The board of the district shall appoint and convene a new  
 21 solid waste management advisory committee of citizens under  
 22 IC 13-21-3-11.

23 SECTION 162. IC 13-21-14-1 IS AMENDED TO READ AS  
 24 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) A board:

25 (1) may; and

26 (2) if necessary to pay principal or interest on any bonds issued  
 27 under this article or IC 13-9.5-9 (repealed), shall;

28 establish solid waste management fees in addition to fees imposed  
 29 under IC 13-21-13 or IC 13-9.5-7 (before its repeal) that apply to all  
 30 persons owning real property or generating solid waste within the  
 31 district who are benefited by solid waste management, solid waste  
 32 collection, a facility for solid waste disposal, or a facility for solid  
 33 waste processing.

34 (b) ~~The Subject to subsections (c) and (d), a board may change~~  
 35 ~~and readjust that proposes to impose fees as necessary in the district~~  
 36 ~~under this section in a calendar year after 2009 must in the~~  
 37 ~~immediately preceding calendar year approve the imposition of the~~  
 38 ~~fees by adoption of a resolution by a majority vote of all members~~  
 39 ~~of the board.~~

40 (c) Subsection (b) applies regardless of whether fees are imposed  
 41 in the district under this chapter in the immediately preceding  
 42 calendar year referred to in subsection (b).

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1       **(d) A board may not adopt a resolution under subsection (b)**  
 2       **before a public hearing is held under section 5 of this chapter.**

3       SECTION 163. IC 13-21-14-5 IS AMENDED TO READ AS  
 4       FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) **Subject to**  
 5       **subsection (g)**, fees shall be established only after public notice and a  
 6       public hearing before the board at which:

7           (1) all persons using facilities, owning property, or generating  
 8           solid waste within the district who are benefited by solid waste  
 9           management; and

10          (2) other interested persons;  
 11       have an opportunity to be heard concerning the proposed fees.

12       (b) After introduction of a resolution fixing fees and before the  
 13       resolution is adopted, public notice of the hearing, setting forth the  
 14       schedule of fees, shall be given. The hearing may be adjourned as  
 15       necessary.

16       (c) After the hearing the resolution establishing fees, either as  
 17       originally introduced or as amended, shall be passed and put into  
 18       effect.

19       (d) A copy of the schedule of fees established shall be kept:

20           (1) on file in the office of the board or the controller, secretary, or  
 21           other record keeping officer of the district; and  
 22           (2) open to inspection by all interested persons.

23       (e) The fees established extend to cover any additional territory later  
 24       served that falls within the same class without the necessity of a  
 25       hearing or notice.

26       (f) **During a calendar year, a board may change or readjustment**  
 27       **of readjust fees may be made first due and payable in that calendar**  
 28       **year** in the same manner as the fees were originally established.

29       (g) **A board that proposes to impose:**

30           (1) **fees under this section; and**

31           (2) **property taxes under IC 13-21-3-16;**

32       **for a calendar year shall consolidate the public hearing required by**  
 33       **subsection (a) with the public hearing required by**  
 34       **IC 13-21-3-16(h).**

35       SECTION 164. IC 14-33-9-1, AS AMENDED BY P.L.146-2008,  
 36       SECTION 428, IS AMENDED TO READ AS FOLLOWS  
 37       [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 1. (a)  
 38       **Except as provided in IC 6-1.1-17-20**, the budget of a district:

39           (1) must be prepared and submitted:

40               (A) at the same time;

41               (B) in the same manner; and

42               (C) with notice;

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as is required by statute for the preparation of budgets by municipalities; and

(2) is subject to the same review by:

(A) the county board of tax adjustment; and

(B) the department of local government finance;

as is required by statute for the budgets of municipalities.

(b) If a district is established in more than one (1) county:

(1) except as provided in subsection (c), the budget shall be certified to the auditor of the county in which is located the court that had exclusive jurisdiction over the establishment of the district; and

(2) notice must be published in each county having land in the district. Any taxpayer in the district is entitled to be heard before the county board of tax adjustment and, after December 31, 2008, the fiscal body of each county having jurisdiction.

(c) If one (1) of the counties in a district contains either a first or second class city located in whole or in part in the district, the budget:

(1) shall be certified to the auditor of that county; and

(2) is subject to review at the county level only by the county board of tax adjustment and, after December 31, 2008, the fiscal body of that county.

SECTION 165. IC 14-33-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) The board shall budget annually the necessary money to meet the probable expenses of operation and maintenance of the district, including the following:

(1) Repairs.

(2) Fees.

(3) Salaries.

(4) Depreciation on all depreciable assets.

(5) Rents.

(6) Supplies.

(b) **Subject to any budget review and approval required under this chapter,** the board ~~shall~~ **may** add **not more than** ten percent (10%) of the total for contingencies.

SECTION 166. IC 14-33-10-3, AS AMENDED BY P.L.67-2006, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) An assessment not paid in full shall be paid in annual installments over the time commensurate with the term of the bond issue or other financing determined by resolution adopted by the board. Interest shall be charged on the unpaid balance **as follows:**

**(1) If the resolution determining financing was adopted before July 1, 2009,** at the same rate per year as the penalty charged on

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delinquent property tax payments under IC 6-1.1-37-10(a).

**(2) If the resolution determining financing is adopted after June 30, 2009, at a rate equal to the United States Prime Rate published in the Wall Street Journal or its successor on the date on which the resolution was adopted plus two percent (2%).**

All payments of installments, interest, and penalties shall be entered on the assessment roll in the office of the district.

(b) Upon payment in full of the assessment, including interest and penalties, the board shall have the lien released and satisfied on the records in the office of the recorder of the county in which the real property assessed is located.

(c) The procedure for collecting assessments for maintenance and operation is the same as for the original assessment, except that the assessments may not be paid in installments.

SECTION 167. IC 20-23-9-5, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. If the department of local government finance receives a petition of appeal under section 4 of this chapter, the department of local government finance shall ~~submit the petition to the school property tax control board established by IC 6-1.1-19-4.1 for~~ **hold** a factfinding hearing.

SECTION 168. IC 20-23-9-6, AS ADDED BY P.L.231-2005, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. ~~(a) If the department of local government finance submits a petition to the school property tax control board under section 5 of this chapter, the school property tax control board shall hold a factfinding hearing.~~

**(b) (a) At a factfinding hearing described in subsection (a), under section 5 of this chapter, the school property tax control board department of local government finance shall determine the following:**

(1) Whether the township school has made all payments required by any statute, including the following:

(A) P.L.32-1999.

(B) IC 20-23-5-12.

(C) The resolution or plan of annexation of the township school, including:

(i) any amendment to the resolution or plan;

(ii) any supporting or related documents; and

(iii) any agreement between the township school and an annexing corporation relating to the winding up of affairs of

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- 1 the township school.
- 2 (2) The amount, if any, by which the township school is in arrears
- 3 on any payment described in subdivision (1).
- 4 (3) Whether the township school has filed with the department of
- 5 local government finance all reports concerning the affairs of the
- 6 township school, including all transfer tuition reports required for
- 7 the two (2) school years immediately preceding the date on which
- 8 the township school was annexed.
- 9 ~~(c)~~ **(b)** In determining the amount of arrears under ~~subsection (b)(2);~~
- 10 **subsection (a)(2), the school property tax control board department**
- 11 **of local government finance** shall consider all amounts due to an
- 12 annexing corporation, including the following:
- 13 (1) Any transfer tuition payments due to the annexing corporation.
- 14 (2) All levies, excise tax distributions, and state distributions
- 15 received by the township school and due to the annexing
- 16 corporation, including levies and distributions received by the
- 17 township school after the date on which the township school was
- 18 annexed.
- 19 (3) All excessive levies that the township school agreed to impose
- 20 and pay to an annexing corporation but failed to impose.
- 21 ~~(d)~~ **(c)** If, in a hearing under this section, ~~a school property tax~~
- 22 ~~control board the department of local government finance~~
- 23 determines that a township school has:
- 24 (1) under subsection ~~(b)(1); (a)(1)~~, failed to make a required
- 25 payment; or
- 26 (2) under subsection ~~(b)(3); (a)(3)~~, failed to file a required report;
- 27 the department may act under section 7 of this chapter.
- 28 SECTION 169. IC 20-23-9-7, AS ADDED BY P.L.1-2005,
- 29 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 30 JULY 1, 2009]: Sec. 7. (a) If ~~a school property tax control board the~~
- 31 **department of local government finance** makes a determination
- 32 under section ~~6(d)~~ **6(c)** of this chapter, the department:
- 33 (1) may prohibit a township from:
- 34 (A) acquiring real estate;
- 35 (B) making a lease or incurring any other contractual
- 36 obligation calling for an annual outlay by the township
- 37 exceeding ten thousand dollars (\$10,000);
- 38 (C) purchasing personal property for a consideration greater
- 39 than ten thousand dollars (\$10,000); and
- 40 (D) adopting or advertising a budget, tax levy, or tax rate for
- 41 any calendar year;
- 42 until the township school has made all required payments under

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section ~~6(b)(1)~~ **6(a)(1)** of this chapter and filed all required reports under section ~~6(b)(3)~~ **6(a)(3)** of this chapter; and (2) shall certify to the treasurer of state the amount of arrears determined under section ~~6(b)(2)~~ **6(a)(2)** of this chapter.

(b) Upon being notified of the amount of arrears certified under subsection (a)(2), the treasurer of state shall make payments from the funds of state to the extent, but not in excess, of any amounts appropriated by the general assembly for distribution to the township school, deducting the payments from any amount distributed to the township school.

SECTION 170. IC 20-26-11-23, AS AMENDED BY P.L.146-2008, SECTION 473, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 23. (a) If a transfer is ordered to commence in a school year, where the transferor corporation has net additional costs over savings (on account of any transfer ordered) allocable to the calendar year in which the school year begins, and where the transferee corporation does not have budgeted funds for the net additional costs, the net additional costs may be recovered by one (1) or more of the following methods in addition to any other methods provided by applicable law:

(1) An emergency loan made under IC 20-48-1-7 to be paid, out of the debt service levy and fund, or a loan from any state fund made available for the net additional costs.

(2) An advance in the calendar year of state funds, which would otherwise become payable to the transferee corporation after such calendar year under law.

(3) A grant or grants in the calendar year from any funds of the state made available for the net additional costs.

(b) The net additional costs must be certified by the department of local government finance. ~~and any grant shall be made solely after affirmative recommendation of the school property tax control board.~~ Repayment of any advance or loan from the state shall be made from state tuition support distributions or other money available to the school corporation.

SECTION 171. IC 20-46-1-7, AS AMENDED BY P.L.146-2008, SECTION 494, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) This section applies to a school corporation that added an amount to the school corporation's base tax levy before 2002 as the result of the approval of an excessive tax levy by the majority of individuals voting in a referendum held in the area served by the school corporation under IC 6-1.1-19-4.5 (before its repeal).

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(b) A school corporation may adopt a resolution before September 21, 2005, to transfer the power of the school corporation to levy the amount described in subsection (a) from the school corporation's general fund to the school corporation's fund. A school corporation that adopts a resolution under this section shall, as soon as practicable after adopting the resolution, send a certified copy of the resolution to the department of local government finance and the county auditor. A school corporation that adopts a resolution under this section may, for property taxes first due and payable after 2005, levy an additional amount for the fund that does not exceed the amount of the excessive tax levy added to the school corporation's base tax levy before 2002.

(c) The power of the school corporation to impose the levy transferred to the fund under this section expires December 31, 2012, unless:

(1) the school corporation adopts a resolution to reimpose or extend the levy; and

(2) the levy is approved, before January 1, 2013, by a majority of the individuals who vote in a referendum that is conducted in accordance with the requirements in this chapter.

As soon as practicable after adopting the resolution under subdivision (1), the school corporation shall send a certified copy of the resolution to the county auditor. ~~and the department of local government finance. Upon receipt of the certified resolution, the tax control board shall proceed in the same manner as the tax control board would for any other levy being reimposed or extended under this chapter.~~ However, if requested by the school corporation in the resolution adopted under subdivision (1), the question of reimposing or extending a levy transferred to the fund under this section may be combined with a question presented to the voters to reimpose or extend a levy initially imposed after 2001. A levy reimposed or extended under this subsection shall be treated for all purposes as a levy reimposed or extended under ~~IC 6-1.1-19-4.5(c) (before its repeal) and this chapter. after June 30, 2006.~~

(d) The school corporation's levy under this section may not be considered in the determination of the school corporation's state tuition support distribution under IC 20-43 or the determination of any other property tax levy imposed by the school corporation.

SECTION 172. IC 20-46-1-10, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. The question to be submitted to the voters in the referendum must read as follows:

"For the \_\_ (insert number) calendar year or years immediately

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following the holding of the referendum, shall the school corporation impose a property tax rate ~~that does not exceed and annually raise an additional \$ \_\_\_\_\_ (insert amount) cents (\$0.\_\_\_\_) (insert amount) on each one hundred dollars (\$100) of assessed valuation and that is in addition to all other property tax levies imposed by the school corporation's normal tuition support tax rate?"~~: **corporation?"**.

SECTION 173. IC 20-46-3-5, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. A school corporation may petition the ~~tax control board~~ **department of local government finance** to impose a property tax to raise revenue for the purposes of the fund. However, before a school corporation may impose a property tax under this chapter, the school corporation must file a petition with the ~~tax control board~~ **department of local government finance** under IC 6-1.1-19. The petition must be filed before June 1 of the year preceding the first year the school corporation desires to impose the property tax and must include the following:

- (1) The name of the school corporation.
- (2) A settlement agreement among the parties to a desegregation lawsuit that includes the program that will improve or maintain racial balance in the school corporation.
- (3) The proposed levy.
- (4) Any other item required by the ~~school property tax control board~~ **department of local government finance**.

SECTION 174. IC 20-46-3-6, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. Subject to IC 6-1.1-18.5-9.9, the ~~tax control board may recommend to the~~ department of local government finance ~~that a may allow a~~ school corporation ~~be allowed~~ to establish a levy. The amount of the levy shall be determined each year and the levy may not exceed the lesser of the following:

- (1) The revenue derived from a tax rate of eight and thirty-three hundredths cents (\$0.0833) for each one hundred dollars (\$100) of assessed valuation within the school corporation.
- (2) The revenue derived from a tax rate equal to the difference between the maximum rate allowed for the school corporation's capital projects fund under IC 20-46-6 minus the actual capital projects fund rate that will be in effect for the school corporation for a particular year.

SECTION 175. IC 20-46-3-7, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2009]: Sec. 7. The department of local government finance shall review the petition of the school corporation ~~and the recommendation of the tax control board~~ and:

- (1) disapprove the petition if the petition does not comply with this section;
- (2) approve the petition; or
- (3) approve the petition with modifications.

SECTION 176. IC 20-46-4-6, AS AMENDED BY P.L.234-2007, SECTION 263, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 6. The levy may not exceed the amount determined by multiplying:

- (1) the school corporation's levy for the fund for the previous year under IC 21-2-11.5 (before its repeal) or this chapter, as that levy was determined by the department of local government finance in fixing the ~~civil taxing unit's~~ **school corporation's** budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year; by
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2.

SECTION 177. IC 20-46-5-9, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. After reviewing the plan, the department of local government finance shall certify its approval, disapproval, or modification of the plan to the governing body and the county auditor of the county. ~~The department of local government finance may seek the recommendation of the tax control board with respect to this determination.~~ The action of the department of local government finance with respect to the plan is final.

SECTION 178. IC 20-46-6-15, AS ADDED BY P.L.2-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. After a hearing on the petition under section 14 of this chapter, the department of local government finance shall certify its approval, disapproval, or modification of the plan to the governing body and the county auditor of the county. ~~The department of local government finance may seek the recommendation of the tax control board with respect to the department of local government finance's determination.~~

SECTION 179. IC 20-46-7-11, AS AMENDED BY P.L.146-2008, SECTION 513, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. (a) The department of local

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government finance in determining whether to approve or disapprove a school building construction project ~~and the tax control board in determining whether to recommend approval or disapproval of a school building construction project~~ shall consider the following factors:

- (1) The current and proposed square footage of school building space per student.
- (2) Enrollment patterns within the school corporation.
- (3) The age and condition of the current school facilities.
- (4) The cost per square foot of the school building construction project.
- (5) The effect that completion of the school building construction project would have on the school corporation's tax rate.
- (6) Any other pertinent matter.

(b) The authority of the department of local government finance to determine whether to approve or disapprove a school building construction project does not after June 30, 2008, include the authority to review or approve the financing of the school building construction project.

SECTION 180. IC 20-49-2-9, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. A nondisaster advancement to any school corporation under section 10 of this chapter may not exceed two hundred fifty thousand dollars (\$250,000). However, this dollar limitation is waived if:

- (1) the school corporation has an ~~adjusted~~ assessed valuation per ADA of less than eight thousand four hundred dollars (\$8,400); **and**
- (2) the school corporation's debt service fund tax rate would exceed one dollar (\$1) for each one hundred dollars (\$100) of assessed valuation without a waiver of the dollar limitation. ~~and~~
- ~~(3) the school property tax control board recommends a waiver of the limitation.~~

SECTION 181. IC 20-49-2-10, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. The state board shall make nondisaster advancements to school corporations under this chapter only when the following conditions exist:

- (1) The school buildings and classrooms of any school corporation are not adequate for the proper education of the students in that public school or school corporation, and the school corporation is unable to finance the construction, remodeling, or repair of the necessary classrooms under existing

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debt and tax limitations without undue financial hardship.

(2) The school corporation has issued its bonds to construct, remodel, or repair schools and school buildings in ninety percent (90%) of the maximum amount allowable under the Constitution of the State of Indiana and Indiana law.

(3) The school corporation does not have funds available for the construction, remodeling, or repair of school buildings and classrooms sufficient to meet the requirements for the proper education of the school corporation's students.

~~(4) The school corporation has established and maintained a property tax levy in the amount of at least sixteen and sixty-seven hundredths cents (\$0.1667) on each one hundred dollars (\$100) of taxable property within the school corporation for school building purposes continuously for three (3) years before the time when the school corporation makes an application to the state board for an advancement.~~

SECTION 182. IC 20-49-4-7, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. As used in this chapter, "school building construction program" means the purchase, lease, or financing of land, the construction and equipping of school buildings, and the remodeling, repairing, or improving of school buildings by a school corporation:

(1) that sustained a loss from a disaster;

(2) whose ~~adjusted~~ assessed valuation ~~(as determined under IC 6-1.1-34-8)~~ per ADM is within the lowest forty percent (40%) of the assessed valuation per ADM when compared with all school corporation ~~adjusted~~ assessed valuation ~~(as determined under IC 6-1.1-34-8)~~ per ADM; or

(3) with an advance under this chapter outstanding on July 1, 1993, that bears interest of at least seven and one-half percent (7.5%).

The term does not include facilities used or to be used primarily for interscholastic or extracurricular activities.

SECTION 183. IC 20-49-4-9, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. Priority of advances for school building construction programs shall be made to school corporations that have the least amount of ~~adjusted~~ assessed valuation ~~(as determined under IC 6-1.1-34-8)~~ per student in ADM.

SECTION 184. IC 21-34-10-7, AS ADDED BY P.L.2-2007, SECTION 275, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2009]: Sec. 7. Bonds may be issued by the board of trustees of a state educational institution without the approval of the general assembly to finance a qualified energy savings project if annual operating savings to the state educational institution arising from the implementation of a qualified energy savings project are reasonably expected to be at least equal to annual debt service requirements on bonds issued for this purpose in each fiscal year. However, the amount of bonds outstanding for the state educational institution at any time for qualified energy savings projects, other than refunding bonds and exclusive of costs described in sections 3 and 4 of this chapter, may not exceed ~~ten million dollars (\$10,000,000)~~. **fifteen million dollars (\$15,000,000).**

SECTION 185. IC 33-26-8-1, AS AMENDED BY P.L.1-2007, SECTION 213, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1. As used in this chapter, "contractor" means a ~~general~~ reassessment, ~~general~~ reassessment review, or special reassessment contractor of the department of local government finance under IC 6-1.1-4-32 (repealed).

SECTION 186. IC 33-26-8-3, AS AMENDED BY P.L.1-2007, SECTION 214, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 3. As used in this chapter, "qualifying official" refers to any of the following:

- (1) A county assessor of a qualifying county.
- (2) A township assessor of a qualifying county.
- (3) The county auditor of a qualifying county.
- (4) The treasurer of a qualifying county.
- (5) The county surveyor of a qualifying county.
- (6) A member of the land valuation committee in a qualifying county.
- (7) Any other township or county official in a qualifying county who has possession or control of information necessary or useful for a ~~general~~ reassessment, ~~general~~ reassessment review, or special reassessment of property to which IC 6-1.1-4-32 (repealed) applies, including information in the possession or control of an employee or a contractor of the official.
- (8) Any county official in a qualifying county who has control, review, or other responsibilities related to paying claims of a contractor submitted for payment under IC 6-1.1-4-32 (repealed).

SECTION 187. IC 36-2-7-13, AS AMENDED BY P.L.146-2008, SECTION 691, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 13. The county fiscal body may grant to the county assessor, in addition to the compensation fixed

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under IC 36-2-5, a per diem for each day that the assessor is engaged in ~~general~~ reassessment activities **under a county's reassessment plan**. This section applies regardless of whether professional assessing services are provided under a contract to one (1) or more townships in the county.

SECTION 188. IC 36-3-1-5.1, AS AMENDED BY P.L.216-2007, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5.1. (a) Except for those duties that are reserved by law to the county sheriff in this section, the city-county legislative body may by majority vote adopt an ordinance, approved by the mayor, to consolidate the police department of the consolidated city and the county sheriff's department.

(b) The city-county legislative body may not adopt an ordinance under this section unless it first:

- (1) holds a public hearing on the proposed consolidation; and
- (2) determines that:
  - (A) reasonable and adequate police protection can be provided through the consolidation; and
  - (B) the consolidation is in the public interest.

(c) If an ordinance is adopted under this section, the consolidation shall take effect on the date specified in the ordinance.

(d) Notwithstanding any other law, an ordinance adopted under this section must provide that the county sheriff's department shall be responsible for all the following for the consolidated city and the county under the direction and control of the sheriff:

- (1) County jail operations and facilities.
- (2) Emergency communications.
- (3) Security for buildings and property owned by:
  - (A) the consolidated city;
  - (B) the county; or
  - (C) both the consolidated city and county.
- (4) Service of civil process and collection of taxes under tax warrants.
- (5) Sex and violent offender registration.

(e) The following apply if an ordinance is adopted under this section:

- (1) The department of local government finance ~~on recommendation from the local government tax control board;~~ shall adjust the maximum permissible ad valorem property tax levy of the consolidated city and the county for property taxes first due and payable in the year a consolidation takes effect under this section. When added together, the adjustments under this

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subdivision must total zero (0).

(2) The ordinance must specify which law enforcement officers of the police department and which law enforcement officers of the county sheriff's department shall be law enforcement officers of the consolidated law enforcement department.

(3) The ordinance may not prohibit the providing of law enforcement services for an excluded city under an interlocal agreement under IC 36-1-7.

(4) A member of the county police force who:

(A) was an employee beneficiary of the sheriff's pension trust before the consolidation of the law enforcement departments; and

(B) after the consolidation becomes a law enforcement officer of the consolidated law enforcement department;

remains an employee beneficiary of the sheriff's pension trust. The member retains, after the consolidation, credit in the sheriff's pension trust for service earned while a member of the county police force and continues to earn service credit in the sheriff's pension trust as a member of the consolidated law enforcement department for purposes of determining the member's benefits from the sheriff's pension trust.

(5) A member of the police department of the consolidated city who:

(A) was a member of the 1953 fund or the 1977 fund before the consolidation of the law enforcement departments; and

(B) after the consolidation becomes a law enforcement officer of the consolidated law enforcement department;

remains a member of the 1953 fund or the 1977 fund. The member retains, after the consolidation, credit in the 1953 fund or the 1977 fund for service earned while a member of the police department of the consolidated city and continues to earn service credit in the 1953 fund or the 1977 fund as a member of the consolidated law enforcement department for purposes of determining the member's benefits from the 1953 fund or the 1977 fund.

(6) The ordinance must designate the merit system that shall apply to the law enforcement officers of the consolidated law enforcement department.

(7) The ordinance must designate who shall serve as a coapplicant for a warrant or an extension of a warrant under IC 35-33.5-2.

(8) The consolidated city may levy property taxes within the consolidated city's maximum permissible ad valorem property tax

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levy limit to provide for the payment of the expenses for the operation of the consolidated law enforcement department. The police special service district established under section 6 of this chapter may levy property taxes to provide for the payment of expenses for the operation of the consolidated law enforcement department within the territory of the police special service district. Property taxes to fund the pension obligation under IC 36-8-7.5 may be levied only by the police special service district within the police special service district. The consolidated city may not levy property taxes to fund the pension obligation under IC 36-8-7.5. Property taxes to fund the pension obligation under IC 36-8-8 for members of the 1977 police officers' and firefighters' pension and disability fund who were members of the police department of the consolidated city on the effective date of the consolidation may be levied only by the police special service district within the police special service district. Property taxes to fund the pension obligation under IC 36-8-10 for members of the sheriff's pension trust and under IC 36-8-8 for members of the 1977 police officers' and firefighters' pension and disability fund who were not members of the police department of the consolidated city on the effective date of the consolidation may be levied by the consolidated city within the consolidated city's maximum permissible ad valorem property tax levy. The assets of the consolidated city's 1953 fund and the assets of the sheriff's pension trust may not be pledged after the effective date of the consolidation as collateral for any loan.

(9) The executive of the consolidated city shall provide for an independent evaluation and performance audit, due before March 1 of the year following the adoption of the consolidation ordinance and for the following two (2) years, to determine:

(A) the amount of any cost savings, operational efficiencies, or improved service levels; and

(B) any tax shifts among taxpayers;

that result from the consolidation. The independent evaluation and performance audit must be provided to the legislative council in an electronic format under IC 5-14-6 and to the budget committee.

SECTION 189. IC 36-3-6-9, AS AMENDED BY P.L.146-2008, SECTION 705, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008 (RETROACTIVE)]: Sec. 9. (a) **Except as provided in subsection (d)**, the city-county legislative body shall review the proposed operating and maintenance budgets and tax levies

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and adopt final operating and maintenance budgets and tax levies for each of the following entities in the county:

- (1) An airport authority operating under IC 8-22-3.
- (2) A public library operating under IC 36-12.
- (3) A capital improvement board of managers operating under IC 36-10.
- (4) A public transportation corporation operating under IC 36-9-4.
- (5) A health and hospital corporation established under IC 16-22-8.
- (6) Any other taxing unit (as defined in IC 6-1.1-1-21) that is located in the county and has a governing body that is not comprised of a majority of officials who are elected to serve on the governing body.

Except as provided in subsection (c), the city-county legislative body may reduce or modify but not increase a proposed operating and maintenance budget or tax levy under this section.

(b) The board of each entity listed in subsection (a) shall, after adoption of its proposed budget and tax levies, submit them, along with detailed accounts, to the city clerk before the first day of September of each year.

(c) The city-county legislative body **or, when subsection (d) applies, the fiscal body of an excluded city or town** shall review the issuance of bonds of an entity listed in subsection (a). Approval of the city-county legislative body **or, when subsection (d) applies, the fiscal body of an excluded city or town** is required for the issuance of bonds. The city-county legislative body **or the fiscal body of an excluded city or town** may not reduce or modify a budget or tax levy of an entity listed in subsection (a) in a manner that would:

- (1) limit or restrict the rights vested in the entity to fulfill the terms of any agreement made with the holders of the entity's bonds; or
- (2) in any way impair the rights or remedies of the holders of the entity's bonds.

(d) If the assessed valuation of a taxing unit is entirely contained within an excluded city or town (as described in IC 36-3-1-7) that is located in a county having a consolidated city, the governing body of the taxing unit shall submit its proposed operating and maintenance budget and tax levies to the city or town fiscal body for approval **and not the city-county legislative body. Except as provided in subsection (c), the fiscal body of the excluded city or town may reduce or modify but not increase a proposed operating and maintenance budget or tax levy under this section.**

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SECTION 190. IC 36-4-3-4, AS AMENDED BY P.L.111-2005,  
SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
JULY 1, 2009]: Sec. 4. (a) The legislative body of a municipality may,  
by ordinance, annex any of the following:

(1) Territory that is contiguous to the municipality.

(2) Territory that is not contiguous to the municipality and is  
occupied by a municipally owned or operated airport or landing  
field.

(3) Territory that is not contiguous to the municipality but is  
found by the legislative body to be occupied by a municipally  
owned or regulated sanitary landfill, golf course, or hospital.  
However, if territory annexed under this subsection ceases to be  
used as a municipally owned or regulated sanitary landfill, golf  
course, or hospital for at least one (1) year, the territory reverts to  
the jurisdiction of the unit having jurisdiction before the  
annexation if the unit that had jurisdiction over the territory still  
exists. If the unit no longer exists, the territory reverts to the  
jurisdiction of the unit that would currently have jurisdiction over  
the territory if the annexation had not occurred. The clerk of the  
municipality shall notify the offices required to receive notice of  
a disannexation under section 19 of this chapter when the territory  
reverts to the jurisdiction of the unit having jurisdiction before the  
annexation.

(b) This subsection applies to municipalities in a county having a  
population of:

(1) more than seventy-three thousand (73,000) but less than  
seventy-four thousand (74,000);

(2) more than seventy-one thousand four hundred (71,400) but  
less than seventy-three thousand (73,000);

(3) more than seventy thousand (70,000) but less than  
seventy-one thousand (71,000);

(4) more than forty-five thousand (45,000) but less than forty-five  
thousand nine hundred (45,900);

(5) more than forty thousand nine hundred (40,900) but less than  
forty-one thousand (41,000);

(6) more than thirty-eight thousand (38,000) but less than  
thirty-nine thousand (39,000);

(7) more than thirty thousand (30,000) but less than thirty  
thousand seven hundred (30,700);

(8) more than twenty-three thousand five hundred (23,500) but  
less than twenty-four thousand (24,000); or

(9) more than one hundred eighty-two thousand seven hundred

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ninety (182,790) but less than three hundred thousand (300,000);

or

**(10) more than thirty-four thousand nine hundred fifty (34,950) but less than thirty-six thousand (36,000).**

Except as provided in subsection (c), the legislative body of a municipality to which this subsection applies may, by ordinance, annex territory that is not contiguous to the municipality, has its entire area not more than two (2) miles from the municipality's boundary, is to be used for an industrial park containing one (1) or more businesses, and is either owned by the municipality or by a property owner who consents to the annexation. However, if territory annexed under this subsection is not used as an industrial park within five (5) years after the date of passage of the annexation ordinance, or if the territory ceases to be used as an industrial park for at least one (1) year, the territory reverts to the jurisdiction of the unit having jurisdiction before the annexation if the unit that had jurisdiction over the territory still exists. If the unit no longer exists, the territory reverts to the jurisdiction of the unit that would currently have jurisdiction over the territory if the annexation had not occurred. The clerk of the municipality shall notify the offices entitled to receive notice of a disannexation under section 19 of this chapter when the territory reverts to the jurisdiction of the unit having jurisdiction before the annexation.

(c) A city in a county with a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000) may not annex territory as prescribed in subsection (b) until the territory is zoned by the county for industrial purposes.

(d) Notwithstanding any other law, territory that is annexed under subsection (b) or (h) is not considered a part of the municipality for the purposes of:

(1) annexing additional territory:

(A) in a county that is not described by clause (B); or

(B) in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), unless the boundaries of the noncontiguous territory become contiguous to the city, as allowed by Indiana law;

(2) expanding the municipality's extraterritorial jurisdictional area; or

(3) changing an assigned service area under IC 8-1-2.3-6(1).

(e) As used in this section, "airport" and "landing field" have the meanings prescribed by IC 8-22-1.

(f) As used in this section, "hospital" has the meaning prescribed by

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1 IC 16-18-2-179(b).

2 (g) An ordinance adopted under this section must assign the  
3 territory annexed by the ordinance to at least one (1) municipal  
4 legislative body district.

5 (h) This subsection applies to a city having a population of more  
6 than thirty-one thousand (31,000) but less than thirty-two thousand  
7 (32,000). The legislative body of a city may, by ordinance, annex  
8 territory that:

9 (1) is not contiguous to the city;

10 (2) has its entire area not more than eight (8) miles from the city's  
11 boundary;

12 (3) does not extend more than:

13 (A) one and one-half (1 1/2) miles to the west;

14 (B) three-fourths (3/4) mile to the east;

15 (C) one-half (1/2) mile to the north; or

16 (D) one-half (1/2) mile to the south;

17 of an interchange of an interstate highway (as designated by the  
18 federal highway authorities) and a state highway (as designated  
19 by the state highway authorities); and

20 (4) is owned by the city or by a property owner that consents to  
21 the annexation.

22 SECTION 191. IC 36-6-8-5, AS AMENDED BY P.L.146-2008,  
23 SECTION 717, IS AMENDED TO READ AS FOLLOWS  
24 [EFFECTIVE JANUARY 1, 2010]: Sec. 5. (a) When performing the  
25 real property reassessment duties **under a county's reassessment plan**  
26 **as** prescribed by IC 6-1.1-4, a township assessor may receive per diem  
27 compensation, in addition to salary, at a rate fixed by the county fiscal  
28 body, for each day that the assessor is engaged in reassessment  
29 activities.

30 (b) Subsection (a) applies regardless of whether professional  
31 assessing services are provided to a township under contract.

32 SECTION 192. IC 36-7-12-27, AS AMENDED BY P.L.146-2008,  
33 SECTION 722, IS AMENDED TO READ AS FOLLOWS  
34 [EFFECTIVE JULY 1, 2009]: Sec. 27. (a) Bonds issued by a unit under  
35 section 25 of this chapter may be issued as serial bonds, term bonds, or  
36 a combination of both types. The ordinance of the fiscal body  
37 authorizing bonds, notes, or warrants, or the financing agreement or the  
38 trust indenture approved by the ordinance, must provide:

39 (1) the manner of their execution, either by the manual or  
40 facsimile signatures of the executive of the unit and the clerk of  
41 the fiscal body;

42 (2) their date;

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(3) their term or terms, which may not exceed forty (40) years, except as otherwise provided by subsection (e);

(4) their maximum interest rate if fixed rates are used or the manner in which the interest rate will be determined if variable or adjustable rates are used;

(5) their denominations;

(6) their form, either coupon or registered;

(7) their registration privileges;

(8) the medium of their payment;

(9) the place or places of their payment;

(10) the terms of their redemption; and

(11) any other provisions not inconsistent with this chapter.

(b) Bonds, notes, or warrants issued under section 25 of this chapter may be sold at public or private sale for the price or prices, in the manner, and at the time or times determined by the unit. The unit may advance all expenses, premiums, and commissions that it considers necessary or advantageous in connection with their issuance.

(c) The bonds, notes, or warrants and their authorization, issuance, sale, and delivery are not subject to any general statute concerning bonds, notes, or warrants of units.

(d) An action to contest the validity of bonds, notes, or warrants issued under section 25 of this chapter may not be commenced more than thirty (30) days after the adoption of the ordinance approving them under section 25 of this chapter.

(e) This subsection applies only to bonds, notes, or warrants issued under this chapter after June 30, 2008, that are wholly or partially payable from tax increment revenues derived from property taxes. The maximum term or repayment period for the bonds, notes, or warrants may not exceed:

(1) twenty-five (25) years **after the date of their issuance**, unless the bonds, notes, or warrants were:

(A) issued or entered into before July 1, 2008;

(B) issued or entered into after June 30, 2008, but authorized by a resolution adopted before July 1, 2008; or

(C) issued or entered into after June 30, 2008, in order to fulfill the terms of agreements or pledges entered into before July 1, 2008, with the holders of the bonds, notes, warrants, or other contractual obligations by or with developers, lenders, or units, or otherwise prevent an impairment of the rights or remedies of the holders of the bonds, notes, warrants, or other contractual obligations; or

(2) thirty (30) years **after the date of their issuance**, if the bonds,

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notes, or warrants were issued after June 30, 2008, to finance:

(A) an integrated coal gasification powerplant (as defined by IC 6-3.1-29-6);

(B) a part of an integrated coal gasification powerplant (as defined by IC 6-3.1-29-6); or

(C) property used in the operation or maintenance of an integrated coal gasification powerplant (as defined by IC 6-3.1-29-6);

that received a certificate of public convenience and necessity from the Indiana utility regulatory commission under IC 8-1-8.5 et seq. before July 1, 2008.

(f) The general assembly makes the following findings of fact with respect to an integrated coal gasification powerplant (as defined in IC 6-3.1-29-6) that received a certificate of public convenience and necessity from the Indiana utility regulatory commission under IC 8-1-8.5 et seq. before July 1, 2008:

(1) The health, safety, general welfare, and economic and energy security of the people of the state of Indiana require as a public purpose of the state the promotion of clean energy, including clean coal, technologies in Indiana.

(2) These technologies include the integrated coal gasification powerplant contemplated by this chapter, IC 6-1.1-20-1.1, and IC 36-7-14.

(3) Investment in the integrated coal gasification powerplant contemplated by this chapter, IC 6-1.1-20-1.1, and IC 36-7-14 will result in substantial financial and other benefits to the state and its political subdivisions and the people of Indiana, including increased employment, tax revenue, and use of Indiana coal.

(4) It is in the best interest of the state and its citizens to promote and preserve financial and other incentives for the integrated coal gasification powerplant.

SECTION 193. IC 36-7-14-25.1, AS AMENDED BY P.L.146-2008, SECTION 732, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 25.1. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 27 of this chapter, the taxes allocated under section 39 of this chapter, or other revenues of the district, or any combination of these sources, the redevelopment commission may, by resolution and subject to subsection (p), issue the bonds of the special taxing district in the name of the unit. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses

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reasonably incurred in connection with the acquisition and redevelopment of the property, including:

- (1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped;
- (2) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;
- (3) capitalized interest permitted by this chapter and a debt service reserve for the bonds to the extent the redevelopment commission determines that a reserve is reasonably required; and
- (4) expenses that the redevelopment commission is required or permitted to pay under IC 8-23-17.

(b) If the redevelopment commission plans to acquire different parcels of land or let different contracts for redevelopment work at approximately the same time, whether under one (1) or more resolutions, the commission may provide for the total cost in one (1) issue of bonds.

(c) The bonds must be dated as set forth in the bond resolution and negotiable, subject to the requirements of the bond resolution for registering the bonds. The resolution authorizing the bonds must state:

- (1) the denominations of the bonds;
- (2) the place or places at which the bonds are payable; and
- (3) the term of the bonds, which may not exceed:
  - (A) fifty (50) years **after the date of their issuance**, for bonds issued before July 1, 2008;
  - (B) thirty (30) years **after the date of their issuance**, for bonds issued after June 30, 2008, to finance:
    - (i) an integrated coal gasification powerplant (as defined in IC 6-3.1-29-6);
    - (ii) a part of an integrated coal gasification powerplant (as defined in IC 6-3.1-29-6); or
    - (iii) property used in the operation or maintenance of an integrated coal gasification powerplant (as defined in IC 6-3.1-29-6);
  - that received a certificate of public convenience and necessity from the Indiana utility regulatory commission under IC 8-1-8.5 et seq. before July 1, 2008; or
  - (C) twenty-five (25) years, for bonds issued after June 30, 2008, that are not described in clause (B).

The resolution may also state that the bonds are redeemable before maturity with or without a premium, as determined by the

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1 redevelopment commission.

2 (d) The redevelopment commission shall certify a copy of the  
3 resolution authorizing the bonds to the municipal or county fiscal  
4 officer, who shall then prepare the bonds, subject to subsection (p). The  
5 seal of the unit must be impressed on the bonds, or a facsimile of the  
6 seal must be printed on the bonds.

7 (e) The bonds must be executed by the appropriate officer of the  
8 unit and attested by the municipal or county fiscal officer.

9 (f) The bonds are exempt from taxation for all purposes.

10 (g) The municipal or county fiscal officer shall give notice of the  
11 sale of the bonds by publication in accordance with IC 5-3-1. The  
12 municipal fiscal officer, or county fiscal officer or executive, shall sell  
13 the bonds to the highest bidder, but may not sell them for less than  
14 ninety-seven percent (97%) of their par value. However, bonds payable  
15 solely or in part from tax proceeds allocated under section 39(b)(2) of  
16 this chapter, or other revenues of the district may be sold at a private  
17 negotiated sale.

18 (h) Except as provided in subsection (i), a redevelopment  
19 commission may not issue the bonds when the total issue, including  
20 bonds already issued and to be issued, exceeds two percent (2%) of the  
21 adjusted value of the taxable property in the special taxing district, as  
22 determined under IC 36-1-15.

23 (i) The bonds are not a corporate obligation of the unit but are an  
24 indebtedness of the taxing district. The bonds and interest are payable,  
25 as set forth in the bond resolution of the redevelopment commission:

26 (1) from a special tax levied upon all of the property in the taxing  
27 district, as provided by section 27 of this chapter;

28 (2) from the tax proceeds allocated under section 39(b)(2) of this  
29 chapter;

30 (3) from other revenues available to the redevelopment  
31 commission; or

32 (4) from a combination of the methods stated in subdivisions (1)  
33 through (3).

34 If the bonds are payable solely from the tax proceeds allocated under  
35 section 39(b)(2) of this chapter, other revenues of the redevelopment  
36 commission, or any combination of these sources, they may be issued  
37 in any amount without limitation.

38 (j) Proceeds from the sale of bonds may be used to pay the cost of  
39 interest on the bonds for a period not to exceed five (5) years from the  
40 date of issuance.

41 (k) All laws relating to the giving of notice of the issuance of bonds,  
42 the giving of notice of a hearing on the appropriation of the proceeds

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of the bonds, the right of taxpayers to appear and be heard on the proposed appropriation, and the approval of the appropriation by the department of local government finance apply to all bonds issued under this chapter that are payable from the special benefits tax levied pursuant to section 27 of this chapter or from taxes allocated under section 39 of this chapter.

(l) All laws relating to:

(1) the filing of petitions requesting the issuance of bonds; and

(2) the right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

apply to bonds issued under this chapter except for bonds payable solely from tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources.

(m) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(n) Any amount remaining in the debt service reserve after all of the bonds of the issue for which the debt service reserve was established have matured shall be:

(1) deposited in the allocation fund established under section 39(b)(2) of this chapter; and

(2) to the extent permitted by law, transferred to the county or municipality that established the department of redevelopment for use in reducing the county's or municipality's property tax levies for debt service.

(o) If bonds are issued under this chapter that are payable solely or in part from revenues to the redevelopment commission from a project or projects, the redevelopment commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects, but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the redevelopment commission. The redevelopment commission may establish fees and charges for the use of any project

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1 and covenant with the owners of any bonds to set those fees and  
 2 charges at a rate sufficient to protect the interest of the owners of the  
 3 bonds. Any revenue bonds issued by the redevelopment commission  
 4 that are payable solely from revenues of the commission shall contain  
 5 a statement to that effect in the form of bond.

6 (p) If the total principal amount of bonds authorized by a resolution  
 7 of the redevelopment commission adopted before July 1, 2008, is equal  
 8 to or greater than three million dollars (\$3,000,000), the bonds may not  
 9 be issued without the approval, by resolution, of the legislative body of  
 10 the unit. Bonds authorized in any principal amount by a resolution of  
 11 the redevelopment commission adopted after June 30, 2008, may not  
 12 be issued without the approval of the legislative body of the unit.

13 SECTION 194. IC 36-7-14-25.2, AS AMENDED BY P.L.146-2008,  
 14 SECTION 733, IS AMENDED TO READ AS FOLLOWS  
 15 [EFFECTIVE JULY 1, 2009]: Sec. 25.2. (a) A redevelopment  
 16 commission may enter into a lease of any property that could be  
 17 financed with the proceeds of bonds issued under this chapter with a  
 18 lessor for a term not to exceed:

19 (1) fifty (50) years **after the date of their issuance**, for a lease  
 20 entered into before July 1, 2008; or

21 (2) twenty-five (25) years **after the date of their issuance**, for a  
 22 lease entered into after June 30, 2008.

23 The lease may provide for payments to be made by the redevelopment  
 24 commission from special benefits taxes levied under section 27 of this  
 25 chapter, taxes allocated under section 39 of this chapter, any other  
 26 revenues available to the redevelopment commission, or any  
 27 combination of these sources.

28 (b) A lease may provide that payments by the redevelopment  
 29 commission to the lessor are required only to the extent and only for the  
 30 period that the lessor is able to provide the leased facilities in  
 31 accordance with the lease. The terms of each lease must be based upon  
 32 the value of the facilities leased and may not create a debt of the unit  
 33 or the district for purposes of the Constitution of the State of Indiana.

34 (c) A lease may be entered into by the redevelopment commission  
 35 only after a public hearing by the redevelopment commission at which  
 36 all interested parties are provided the opportunity to be heard. After the  
 37 public hearing, the redevelopment commission may adopt a resolution  
 38 authorizing the execution of the lease on behalf of the unit if it finds  
 39 that the service to be provided throughout the term of the lease will  
 40 serve the public purpose of the unit and is in the best interests of its  
 41 residents. Any lease approved by a resolution of the redevelopment  
 42 commission must be approved by an ordinance of the fiscal body of the

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1 unit.

2 (d) Upon execution of a lease providing for payments by the  
3 redevelopment commission in whole or in part from the levy of special  
4 benefits taxes under section 27 of this chapter and upon approval of the  
5 lease by the unit's fiscal body, the redevelopment commission shall  
6 publish notice of the execution of the lease and its approval in  
7 accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the  
8 redevelopment district who will be affected by the lease and who may  
9 be of the opinion that no necessity exists for the execution of the lease  
10 or that the payments provided for in the lease are not fair and  
11 reasonable may file a petition in the office of the county auditor within  
12 thirty (30) days after the publication of the notice of execution and  
13 approval. The petition must set forth the petitioners' names, addresses,  
14 and objections to the lease and the facts showing that the execution of  
15 the lease is unnecessary or unwise or that the payments provided for in  
16 the lease are not fair and reasonable, as the case may be.

17 (e) Upon the filing of the petition, the county auditor shall  
18 immediately certify a copy of it, together with such other data as may  
19 be necessary in order to present the questions involved, to the  
20 department of local government finance. Upon receipt of the certified  
21 petition and information, the department of local government finance  
22 shall fix a time and place for a hearing in the redevelopment district,  
23 which must be not less than five (5) or more than thirty (30) days after  
24 the time is fixed. Notice of the hearing shall be given by the department  
25 of local government finance to the members of the fiscal body, to the  
26 redevelopment commission, and to the first fifty (50) petitioners on the  
27 petition by a letter signed by the commissioner or deputy commissioner  
28 of the department and enclosed with fully prepaid postage sent to those  
29 persons at their usual place of residence, at least five (5) days before  
30 the date of the hearing. The decision of the department of local  
31 government finance on the appeal, upon the necessity for the execution  
32 of the lease, and as to whether the payments under it are fair and  
33 reasonable, is final.

34 (f) A redevelopment commission entering into a lease payable from  
35 allocated taxes under section 39 of this chapter or other available funds  
36 of the redevelopment commission may:

37 (1) pledge the revenue to make payments under the lease pursuant  
38 to IC 5-1-14-4; and

39 (2) establish a special fund to make the payments.

40 (g) Lease rentals may be limited to money in the special fund so that  
41 the obligations of the redevelopment commission to make the lease  
42 rental payments are not considered debt of the unit or the district for

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purposes of the Constitution of the State of Indiana.

(h) Except as provided in this section, no approvals of any governmental body or agency are required before the redevelopment commission enters into a lease under this section.

(i) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance, an action to contest the validity or enjoin the performance must be brought within thirty (30) days after the decision of the department.

(j) If a redevelopment commission exercises an option to buy a leased facility from a lessor, the redevelopment commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the redevelopment commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the redevelopment commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days of the hearing.

SECTION 195. IC 36-7-14-39, AS AMENDED BY P.L.146-2008, SECTION 738, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the

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- 1 effective date of the allocation provision.
- 2 (2) If an allocation provision is adopted after June 30, 1997, in a
- 3 declaratory resolution or an amendment to a declaratory
- 4 resolution establishing a redevelopment project area:
- 5 (A) the net assessed value of all the property as finally
- 6 determined for the assessment date immediately preceding the
- 7 effective date of the allocation provision of the declaratory
- 8 resolution, as adjusted under subsection (h); plus
- 9 (B) to the extent that it is not included in clause (A), the net
- 10 assessed value of property that is assessed as residential
- 11 property under the rules of the department of local government
- 12 finance, as finally determined for any assessment date after the
- 13 effective date of the allocation provision.
- 14 (3) If:
- 15 (A) an allocation provision adopted before June 30, 1995, in
- 16 a declaratory resolution or an amendment to a declaratory
- 17 resolution establishing a redevelopment project area expires
- 18 after June 30, 1997; and
- 19 (B) after June 30, 1997, a new allocation provision is included
- 20 in an amendment to the declaratory resolution;
- 21 the net assessed value of all the property as finally determined for
- 22 the assessment date immediately preceding the effective date of
- 23 the allocation provision adopted after June 30, 1997, as adjusted
- 24 under subsection (h).
- 25 (4) Except as provided in subdivision (5), for all other allocation
- 26 areas, the net assessed value of all the property as finally
- 27 determined for the assessment date immediately preceding the
- 28 effective date of the allocation provision of the declaratory
- 29 resolution, as adjusted under subsection (h).
- 30 (5) If an allocation area established in an economic development
- 31 area before July 1, 1995, is expanded after June 30, 1995, the
- 32 definition in subdivision (1) applies to the expanded part of the
- 33 area added after June 30, 1995.
- 34 (6) If an allocation area established in a redevelopment project
- 35 area before July 1, 1997, is expanded after June 30, 1997, the
- 36 definition in subdivision (2) applies to the expanded part of the
- 37 area added after June 30, 1997.
- 38 Except as provided in section 39.3 of this chapter, "property taxes"
- 39 means taxes imposed under IC 6-1.1 on real property. However, upon
- 40 approval by a resolution of the redevelopment commission adopted
- 41 before June 1, 1987, "property taxes" also includes taxes imposed
- 42 under IC 6-1.1 on depreciable personal property. If a redevelopment

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1 commission adopted before June 1, 1987, a resolution to include within  
 2 the definition of property taxes taxes imposed under IC 6-1.1 on  
 3 depreciable personal property that has a useful life in excess of eight  
 4 (8) years, the commission may by resolution determine the percentage  
 5 of taxes imposed under IC 6-1.1 on all depreciable personal property  
 6 that will be included within the definition of property taxes. However,  
 7 the percentage included must not exceed twenty-five percent (25%) of  
 8 the taxes imposed under IC 6-1.1 on all depreciable personal property.

9 (b) A declaratory resolution adopted under section 15 of this chapter  
 10 on or before the allocation deadline determined under subsection (i)  
 11 may include a provision with respect to the allocation and distribution  
 12 of property taxes for the purposes and in the manner provided in this  
 13 section. A declaratory resolution previously adopted may include an  
 14 allocation provision by the amendment of that declaratory resolution on  
 15 or before the allocation deadline determined under subsection (i) in  
 16 accordance with the procedures required for its original adoption. A  
 17 declaratory resolution or an amendment that establishes an allocation  
 18 provision after June 30, 1995, must specify an expiration date for the  
 19 allocation provision. For an allocation area established before July 1,  
 20 2008, the expiration date may not be more than thirty (30) years after  
 21 the date on which the allocation provision is established. For an  
 22 allocation area established after June 30, 2008, the expiration date may  
 23 not be more than twenty-five (25) years after the date on which the  
 24 ~~allocation provision is established.~~ **first obligation was incurred to**  
 25 **pay principal and interest on bonds or lease rentals on leases**  
 26 **payable from tax increment revenues.** However, with respect to  
 27 bonds or other obligations that were issued before July 1, 2008, if any  
 28 of the bonds or other obligations that were scheduled when issued to  
 29 mature before the specified expiration date and that are payable only  
 30 from allocated tax proceeds with respect to the allocation area remain  
 31 outstanding as of the expiration date, the allocation provision does not  
 32 expire until all of the bonds or other obligations are no longer  
 33 outstanding. The allocation provision may apply to all or part of the  
 34 redevelopment project area. The allocation provision must require that  
 35 any property taxes subsequently levied by or for the benefit of any  
 36 public body entitled to a distribution of property taxes on taxable  
 37 property in the allocation area be allocated and distributed as follows:

38 (1) Except as otherwise provided in this section, the proceeds of  
 39 the taxes attributable to the lesser of:

40 (A) the assessed value of the property for the assessment date  
 41 with respect to which the allocation and distribution is made;  
 42 or

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(B) the base assessed value;  
shall be allocated to and, when collected, paid into the funds of  
the respective taxing units.

(2) Except as otherwise provided in this section, property tax  
proceeds in excess of those described in subdivision (1) shall be  
allocated to the redevelopment district and, when collected, paid  
into an allocation fund for that allocation area that may be used by  
the redevelopment district only to do one (1) or more of the  
following:

(A) Pay the principal of and interest on any obligations  
payable solely from allocated tax proceeds which are incurred  
by the redevelopment district for the purpose of financing or  
refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for  
bonds payable solely or in part from allocated tax proceeds in  
that allocation area.

(C) Pay the principal of and interest on bonds payable from  
allocated tax proceeds in that allocation area and from the  
special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the  
unit to pay for local public improvements that are physically  
located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds  
payable solely or in part from allocated tax proceeds in that  
allocation area.

(F) Make payments on leases payable from allocated tax  
proceeds in that allocation area under section 25.2 of this  
chapter.

(G) Reimburse the unit for expenditures made by it for local  
public improvements (which include buildings, parking  
facilities, and other items described in section 25.1(a) of this  
chapter) that are physically located in or physically connected  
to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or  
parking facility that is physically located in or physically  
connected to that allocation area under any lease entered into  
under IC 36-1-10.

(I) For property taxes first due and payable before January 1,  
2009, pay all or a part of a property tax replacement credit to  
taxpayers in an allocation area as determined by the  
redevelopment commission. This credit equals the amount  
determined under the following STEPS for each taxpayer in a

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taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; times
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

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The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district

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under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer

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for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each ~~general~~ reassessment of real property in an area under a county's reassessment plan under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment of the real property in the area under a county's reassessment plan on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the ~~general~~ reassessment under a county's reassessment plan or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 196. IC 36-7-15.1-17, AS AMENDED BY P.L.146-2008,

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SECTION 751, IS AMENDED TO READ AS FOLLOWS  
 [EFFECTIVE JULY 1, 2009]: Sec. 17. (a) In addition to other methods  
 of raising money for property acquisition or redevelopment in a  
 redevelopment project area, and in anticipation of the special tax to be  
 levied under section 19 of this chapter, the taxes allocated under  
 section 26 of this chapter, or other revenues of the redevelopment  
 district, the commission may, by resolution, issue the bonds of the  
 redevelopment district in the name of the consolidated city and in  
 accordance with IC 36-3-5-8. The amount of the bonds may not exceed  
 the total, as estimated by the commission, of all expenses reasonably  
 incurred in connection with the acquisition and redevelopment of the  
 property, including:

- (1) the total cost of all land, rights-of-way, and other property to  
 be acquired and redeveloped;
- (2) all reasonable and necessary architectural, engineering, legal,  
 financing, accounting, advertising, bond discount, and  
 supervisory expenses related to the acquisition and redevelopment  
 of the property or the issuance of bonds;
- (3) capitalized interest permitted in this chapter and a debt service  
 reserve for the bonds, to the extent that the redevelopment  
 commission determines that a reserve is reasonably required;
- (4) the total cost of all clearing and construction work provided  
 for in the resolution; and
- (5) expenses that the commission is required or permitted to pay  
 under IC 8-23-17.

(b) If the commission plans to acquire different parcels of land or let  
 different contracts for redevelopment work at approximately the same  
 time, whether under one (1) or more resolutions, the commission may  
 provide for the total cost in one (1) issue of bonds.

(c) The bonds must be dated as set forth in the bond resolution and  
 negotiable subject to the requirements of the bond resolution for the  
 registration of the bonds. The resolution authorizing the bonds must  
 state:

- (1) the denominations of the bonds;
- (2) the place or places at which the bonds are payable; and
- (3) the term of the bonds, which may not exceed:
  - (A) fifty (50) years **after the date of their issuance**, for bonds  
 issued before July 1, 2008; or
  - (B) twenty-five (25) years **after the date of their issuance**, for  
 bonds issued after June 30, 2008.

The resolution may also state that the bonds are redeemable before  
 maturity with or without a premium, as determined by the commission.

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(d) The commission shall certify a copy of the resolution authorizing the bonds to the fiscal officer of the consolidated city, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(e) The bonds shall be executed by the city executive and attested by the fiscal officer. The interest coupons, if any, shall be executed by the facsimile signature of the fiscal officer.

(f) The bonds are exempt from taxation as provided by IC 6-8-5.

(g) The city fiscal officer shall sell the bonds according to law. Notwithstanding IC 36-3-5-8, bonds payable solely or in part from tax proceeds allocated under section 26(b)(2) of this chapter or other revenues of the district may be sold at private negotiated sale and at a price or prices not less than ninety-seven percent (97%) of the par value.

(h) The bonds are not a corporate obligation of the city but are an indebtedness of the redevelopment district. The bonds and interest are payable:

- (1) from a special tax levied upon all of the property in the redevelopment district, as provided by section 19 of this chapter;
- (2) from the tax proceeds allocated under section 26(b)(2) of this chapter;
- (3) from other revenues available to the commission; or
- (4) from a combination of the methods stated in subdivisions (1) through (3);

and from any revenues of the designated project. If the bonds are payable solely from the tax proceeds allocated under section 26(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount without limitation.

(i) Proceeds from the sale of the bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issue.

(j) Notwithstanding IC 36-3-5-8, the laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against, or vote on, the issuance of bonds applicable to bonds issued under this chapter do not apply to bonds payable solely or in part from tax proceeds allocated under section 26(b)(2) of this chapter, other revenues of the commission, or any combination of these sources.

(k) If bonds are issued under this chapter that are payable solely or in part from revenues to the commission from a project or projects, the commission may adopt a resolution or trust indenture or enter into

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covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects, but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the commission. The commission may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the commission that are payable solely from revenues of the commission must contain a statement to that effect in the form of bond.

SECTION 197. IC 36-7-15.1-17.1, AS AMENDED BY P.L.146-2008, SECTION 752, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17.1. (a) A commission may enter into a lease of any property that may be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed:

(1) fifty (50) years **after the date of their issuance**, for a lease entered into before July 1, 2008; or

(2) twenty-five (25) years **after the date of their issuance**, for a lease entered into after June 30, 2008.

The lease may provide for payments to be made by the commission from special benefits taxes levied under section 19 of this chapter, taxes allocated under section 26 of this chapter, any other revenue available to the commission, or any combination of these sources.

(b) A lease may provide that payments by the commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the commission only after a public hearing by the commission at which all interested parties are given the opportunity to be heard. Notice of the hearing must be given by publication in accordance with IC 5-3-1. After the public hearing, the commission may adopt a resolution authorizing the execution of the lease on behalf of the unit if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of its residents. Any lease approved by a resolution of the commission must be approved by an ordinance of

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the fiscal body of the unit.

(d) Upon execution of a lease providing for payments by the commission in whole or in part from the levy of special benefits taxes under section 19 of this chapter and upon approval of the lease by the fiscal body, the commission shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable, as the case may be. Upon the filing of the petition, the county auditor shall immediately certify a copy of it, together with such other data as may be necessary in order to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and information, the department of local government finance shall fix a time and place for the hearing in the redevelopment district, which must be not less than five (5) or more than thirty (30) days after the time for the hearing is fixed. Notice of the hearing shall be given by the department of local government finance to the members of the fiscal body, to the commission, and to the first fifty (50) petitioners on the petition by a letter signed by the commissioner or deputy commissioner of the department and enclosed with fully prepaid postage sent to those persons at their usual place of residence, at least five (5) days before the date of the hearing. The decision of the department of local government finance on the appeal, upon the necessity for the execution of the lease and as to whether the payments under it are fair and reasonable, is final.

(e) A commission entering into a lease payable from allocated taxes under section 26 of this chapter or revenues or other available funds of the commission may:

- (1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; and
- (2) establish a special fund to make the payments.

Lease rentals may be limited to money in the special fund so that the obligations of the commission to make the lease rental payments are not considered a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

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(f) Except as provided in this section, no approvals of any governmental body or agency are required before the commission enters into a lease under this section.

(g) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance, an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the department.

(h) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days after the hearing.

SECTION 198. IC 36-7-15.1-26, AS AMENDED BY P.L.146-2008, SECTION 755, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a

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1 declaratory resolution or an amendment to a declaratory  
2 resolution establishing a redevelopment project area:

3 (A) the net assessed value of all the property as finally  
4 determined for the assessment date immediately preceding the  
5 effective date of the allocation provision of the declaratory  
6 resolution, as adjusted under subsection (h); plus

7 (B) to the extent that it is not included in clause (A), the net  
8 assessed value of property that is assessed as residential  
9 property under the rules of the department of local government  
10 finance, as finally determined for any assessment date after the  
11 effective date of the allocation provision.

12 (3) If:

13 (A) an allocation provision adopted before June 30, 1995, in  
14 a declaratory resolution or an amendment to a declaratory  
15 resolution establishing a redevelopment project area expires  
16 after June 30, 1997; and

17 (B) after June 30, 1997, a new allocation provision is included  
18 in an amendment to the declaratory resolution;

19 the net assessed value of all the property as finally determined for  
20 the assessment date immediately preceding the effective date of  
21 the allocation provision adopted after June 30, 1997, as adjusted  
22 under subsection (h).

23 (4) Except as provided in subdivision (5), for all other allocation  
24 areas, the net assessed value of all the property as finally  
25 determined for the assessment date immediately preceding the  
26 effective date of the allocation provision of the declaratory  
27 resolution, as adjusted under subsection (h).

28 (5) If an allocation area established in an economic development  
29 area before July 1, 1995, is expanded after June 30, 1995, the  
30 definition in subdivision (1) applies to the expanded part of the  
31 area added after June 30, 1995.

32 (6) If an allocation area established in a redevelopment project  
33 area before July 1, 1997, is expanded after June 30, 1997, the  
34 definition in subdivision (2) applies to the expanded part of the  
35 area added after June 30, 1997.

36 Except as provided in section 26.2 of this chapter, "property taxes"  
37 means taxes imposed under IC 6-1.1 on real property. However, upon  
38 approval by a resolution of the redevelopment commission adopted  
39 before June 1, 1987, "property taxes" also includes taxes imposed  
40 under IC 6-1.1 on depreciable personal property. If a redevelopment  
41 commission adopted before June 1, 1987, a resolution to include within  
42 the definition of property taxes taxes imposed under IC 6-1.1 on

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depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the ~~allocation provision is established.~~ **first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues.** However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of

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the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

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1 However, the total amount of money spent for this purpose in  
 2 any year may not exceed the total amount of money in the  
 3 allocation fund that is attributable to property taxes paid by the  
 4 industrial facilities described in this clause. The  
 5 reimbursements under this clause must be made within three  
 6 (3) years after the date on which the investments that are the  
 7 basis for the increment financing are made.

8 The special fund may not be used for operating expenses of the  
 9 commission.

10 (3) Before July 15 of each year, the commission shall do the  
 11 following:

12 (A) Determine the amount, if any, by which the assessed value  
 13 of the taxable property in the allocation area for the most  
 14 recent assessment date minus the base assessed value, when  
 15 multiplied by the estimated tax rate of the allocation area, will  
 16 exceed the amount of assessed value needed to provide the  
 17 property taxes necessary to make, when due, principal and  
 18 interest payments on bonds described in subdivision (2) plus  
 19 the amount necessary for other purposes described in  
 20 subdivision (2) and subsection (g).

21 (B) Provide a written notice to the county auditor, the  
 22 legislative body of the consolidated city, and the officers who  
 23 are authorized to fix budgets, tax rates, and tax levies under  
 24 IC 6-1.1-17-5 for each of the other taxing units that is wholly  
 25 or partly located within the allocation area. The notice must:

26 (i) state the amount, if any, of excess assessed value that the  
 27 commission has determined may be allocated to the  
 28 respective taxing units in the manner prescribed in  
 29 subdivision (1); or

30 (ii) state that the commission has determined that there is no  
 31 excess assessed value that may be allocated to the respective  
 32 taxing units in the manner prescribed in subdivision (1).

33 The county auditor shall allocate to the respective taxing units  
 34 the amount, if any, of excess assessed value determined by the  
 35 commission. The commission may not authorize an allocation  
 36 to the respective taxing units under this subdivision if to do so  
 37 would endanger the interests of the holders of bonds described  
 38 in subdivision (2).

39 (c) For the purpose of allocating taxes levied by or for any taxing  
 40 unit or units, the assessed value of taxable property in a territory in the  
 41 allocation area that is annexed by any taxing unit after the effective  
 42 date of the allocation provision of the resolution is the lesser of:

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(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half

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(1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each ~~general~~ reassessment of real property in an area under a county's reassessment plan under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment of the real property in the area under a county's reassessment plan on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the ~~general~~ reassessment under a county's reassessment plan or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines

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subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 199. IC 36-7-15.1-45, AS AMENDED BY P.L.146-2008, SECTION 762, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 45. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 50 of this chapter, the taxes allocated under section 53 of this chapter, or other revenues of the redevelopment district, a commission may, by resolution, issue the bonds of its redevelopment district in the name of the excluded city. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

(1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped;

(2) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;

(3) capitalized interest permitted in this chapter and a debt service reserve for the bonds, to the extent that the redevelopment commission determines that a reserve is reasonably required;

(4) the total cost of all clearing and construction work provided for in the resolution; and

(5) expenses that the commission is required or permitted to pay under IC 8-23-17.

(b) If a commission plans to acquire different parcels of land or let different contracts for redevelopment work at approximately the same time, whether under one (1) or more resolutions, a commission may provide for the total cost in one (1) issue of bonds.

(c) The bonds must be dated as set forth in the bond resolution and negotiable subject to the requirements concerning registration of the bonds. The resolution authorizing the bonds must state:

(1) the denominations of the bonds;

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(2) the place or places at which the bonds are payable; and

(3) the term of the bonds, which may not exceed:

(A) fifty (50) years **after the date of their issuance**, for bonds issued before July 1, 2008; or

(B) twenty-five (25) years **after the date of their issuance**, for bonds issued after June 30, 2008.

The resolution may also state that the bonds are redeemable before maturity with or without a premium, as determined by the commission.

(d) The commission shall certify a copy of the resolution authorizing the bonds to the fiscal officer of the excluded city, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(e) The bonds shall be executed by the excluded city executive and attested by the excluded city fiscal officer. The interest coupons, if any, shall be executed by the facsimile signature of the excluded city fiscal officer.

(f) The bonds are exempt from taxation as provided by IC 6-8-5.

(g) The excluded city fiscal officer shall sell the bonds according to law. Bonds payable solely or in part from tax proceeds allocated under section 53(b)(2) of this chapter or other revenues of the district may be sold at private negotiated sale and at a price or prices not less than ninety-seven percent (97%) of the par value.

(h) The bonds are not a corporate obligation of the excluded city but are an indebtedness of the redevelopment district. The bonds and interest are payable:

(1) from a special tax levied upon all of the property in the redevelopment district, as provided by section 50 of this chapter;

(2) from the tax proceeds allocated under section 53(b)(2) of this chapter;

(3) from other revenues available to the commission; or

(4) from a combination of the methods described in subdivisions

(1) through (3);

and from any revenues of the designated project. If the bonds are payable solely from the tax proceeds allocated under section 53(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount without limitation.

(i) Proceeds from the sale of the bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issue.

(j) The laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against,

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or vote on, the issuance of bonds applicable to bonds issued under this chapter do not apply to bonds payable solely or in part from tax proceeds allocated under section 53(b)(2) of this chapter, other revenues of the commission, or any combination of these sources.

(k) If bonds are issued under this chapter that are payable solely or in part from revenues to a commission from a project or projects, a commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the commission. The commission may establish fees and charges for the use of any project and covenant with the owners of bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the commission that are payable solely from revenues of the commission must contain a statement to that effect in the form of bond.

SECTION 200. IC 36-7-15.1-46, AS AMENDED BY P.L.146-2008, SECTION 763, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 46. (a) A commission may enter into a lease of any property that may be financed with the proceeds of bonds issued under section 45 of this chapter with a lessor for a term not to exceed:

(1) fifty (50) years **after the date of their issuance**, for a lease entered into before July 1, 2008; or

(2) twenty-five (25) years **after the date of their issuance**, for a lease entered into after June 30, 2008.

The lease may provide for payments to be made by the commission from special benefits taxes levied under section 50 of this chapter, taxes allocated under section 53 of this chapter, any other revenue available to the commission, or any combination of these sources.

(b) A lease may provide that payments by the commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the commission only after a public hearing by the commission at which all interested parties are

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1 given the opportunity to be heard. Notice of the hearing must be given  
 2 by publication in accordance with IC 5-3-1. After the public hearing,  
 3 the commission may adopt a resolution authorizing the execution of the  
 4 lease on behalf of the unit if it finds that the service to be provided  
 5 throughout the term of the lease will serve the public purpose of the  
 6 unit and is in the best interests of its residents. Any lease approved by  
 7 a resolution of the commission must be approved by an ordinance of  
 8 the fiscal body of the excluded city.

9 (d) Upon execution of a lease providing for payments by the  
 10 commission in whole or in part from the levy of special benefits taxes  
 11 under section 50 of this chapter and upon approval of the lease by the  
 12 fiscal body, the commission shall publish notice of the execution of the  
 13 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more  
 14 taxpayers residing in the district who will be affected by the lease and  
 15 who may be of the opinion that no necessity exists for the execution of  
 16 the lease or that the payments provided for in the lease are not fair and  
 17 reasonable may file a petition in the office of the county auditor within  
 18 thirty (30) days after the publication of the notice of execution and  
 19 approval. The petition must set forth the petitioners' names, addresses,  
 20 and objections to the lease and the facts showing that the execution of  
 21 the lease is unnecessary or unwise or that the payments provided for in  
 22 the lease are not fair and reasonable, as the case may be. Upon the  
 23 filing of the petition, the county auditor shall immediately certify a  
 24 copy of the petition, together with such other data as may be necessary  
 25 in order to present the questions involved, to the department of local  
 26 government finance. Upon receipt of the certified petition and  
 27 information, the department of local government finance shall fix a  
 28 time and place for the hearing in the redevelopment district, which  
 29 must not be less than five (5) or more than thirty (30) days after the  
 30 time for the hearing is fixed. Notice of the hearing shall be given by the  
 31 department of local government finance to the members of the fiscal  
 32 body, to the commission, and to the first fifty (50) petitioners on the  
 33 petition by a letter signed by the commissioner or deputy commissioner  
 34 of the department and enclosed with fully prepaid postage sent to those  
 35 persons at their usual place of residence, at least five (5) days before  
 36 the date of the hearing. The decision of the department of local  
 37 government finance on the appeal, upon the necessity for the execution  
 38 of the lease and as to whether the payments under it are fair and  
 39 reasonable, is final.

40 (e) A commission entering into a lease payable from allocated taxes  
 41 under section 53 of this chapter or revenues or other available funds of  
 42 the commission may:

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(1) pledge the revenue to make payments under the lease as provided in IC 5-1-14-4; and

(2) establish a special fund to make the payments.

Lease rentals may be limited to money in the special fund so that the obligations of the commission to make the lease rental payments are not considered a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(f) Except as provided in this section, no approvals of any governmental body or agency are required before the commission enters into a lease under this section.

(g) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance, an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the department of local government finance.

(h) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days after the hearing.

SECTION 201. IC 36-7-15.1-53, AS AMENDED BY P.L.146-2008, SECTION 765, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 53. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 40 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property

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under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Except as provided in section 55 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A resolution adopted under section 40 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision must be approved by resolution of the legislative body of the excluded city and must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the ~~allocation provision is established~~. **first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues.** However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of

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the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.

(D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

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However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective

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1 date of the allocation provision of the resolution is the lesser of:

- 2 (1) the assessed value of the property for the assessment date with  
 3 respect to which the allocation and distribution is made; or  
 4 (2) the base assessed value.

5 (d) Property tax proceeds allocable to the redevelopment district  
 6 under subsection (b)(2) may, subject to subsection (b)(3), be  
 7 irrevocably pledged by the redevelopment district for payment as set  
 8 forth in subsection (b)(2).

9 (e) Notwithstanding any other law, each assessor shall, upon  
 10 petition of the commission, reassess the taxable property situated upon  
 11 or in, or added to, the allocation area, effective on the next assessment  
 12 date after the petition.

13 (f) Notwithstanding any other law, the assessed value of all taxable  
 14 property in the allocation area, for purposes of tax limitation, property  
 15 tax replacement, and formulation of the budget, tax rate, and tax levy  
 16 for each political subdivision in which the property is located, is the  
 17 lesser of:

- 18 (1) the assessed value of the property as valued without regard to  
 19 this section; or  
 20 (2) the base assessed value.

21 (g) If any part of the allocation area is located in an enterprise zone  
 22 created under IC 5-28-15, the unit that designated the allocation area  
 23 shall create funds as specified in this subsection. A unit that has  
 24 obligations, bonds, or leases payable from allocated tax proceeds under  
 25 subsection (b)(2) shall establish an allocation fund for the purposes  
 26 specified in subsection (b)(2) and a special zone fund. Such a unit  
 27 shall, until the end of the enterprise zone phase out period, deposit each  
 28 year in the special zone fund the amount in the allocation fund derived  
 29 from property tax proceeds in excess of those described in subsection  
 30 (b)(1) from property located in the enterprise zone that exceeds the  
 31 amount sufficient for the purposes specified in subsection (b)(2) for the  
 32 year. A unit that has no obligations, bonds, or leases payable from  
 33 allocated tax proceeds under subsection (b)(2) shall establish a special  
 34 zone fund and deposit all the property tax proceeds in excess of those  
 35 described in subsection (b)(1) in the fund derived from property tax  
 36 proceeds in excess of those described in subsection (b)(1) from  
 37 property located in the enterprise zone. The unit that creates the special  
 38 zone fund shall use the fund, based on the recommendations of the  
 39 urban enterprise association, for one (1) or more of the following  
 40 purposes:

- 41 (1) To pay for programs in job training, job enrichment, and basic  
 42 skill development designed to benefit residents and employers in

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the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each ~~general~~ reassessment of real property in an area under a **county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment of the real property in the area under a **county's reassessment plan** on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the ~~general~~ reassessment under a **county's reassessment plan** or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in

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increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 202. IC 36-7-15.3-15, AS AMENDED BY P.L.146-2008, SECTION 768, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 15. (a) The authority may issue bonds for the purpose of obtaining money to pay the cost of:

(1) acquiring property;

(2) constructing, improving, reconstructing, or renovating one (1) or more local public improvements; or

(3) funding or refunding bonds issued under this chapter or IC 36-7-15.1.

(b) The bonds are payable solely from the lease rentals from the lease of the local public improvement for which the bonds were issued, insurance proceeds, and any other funds pledged or available.

(c) The bonds shall be authorized by a resolution of the board.

(d) The terms and form of the bonds shall either be set out in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds shall mature within:

(1) fifty (50) years **after the date of their issuance**, for bonds issued before July 1, 2008; or

(2) twenty-five (25) years **after the date of their issuance**, for bonds issued after June 30, 2008.

(f) The board shall sell the bonds at public or private sale upon such terms as determined by the board.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of the acquisition or construction, or both, of local public improvements, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include:

(1) planning and development of the facility and all buildings, facilities, structures, and improvements related to it;

(2) acquisition of a site and clearing and preparing the site for construction;

(3) equipment, facilities, structures, and improvements that are

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1 necessary or desirable to make the local public improvements  
 2 suitable for use and operations;  
 3 (4) architectural, engineering, consultant, and attorney fees;  
 4 (5) incidental expenses in connection with the issuance and sale  
 5 of bonds;  
 6 (6) reserves for principal and interest;  
 7 (7) interest during construction and for a period thereafter  
 8 determined by the board, but in no event to exceed five (5) years;  
 9 (8) financial advisory fees;  
 10 (9) insurance during construction;  
 11 (10) municipal bond insurance, debt service reserve insurance,  
 12 letters of credit, or other credit enhancement; and  
 13 (11) in the case of refunding or refinancing, payment of the  
 14 principal of, redemption premiums, if any, and interest on, the  
 15 bonds being refunded or refinanced.

16 SECTION 203. IC 36-7-30-25, AS AMENDED BY P.L.146-2008,  
 17 SECTION 770, IS AMENDED TO READ AS FOLLOWS  
 18 [EFFECTIVE JANUARY 1, 2010]: Sec. 25. (a) The following  
 19 definitions apply throughout this section:

20 (1) "Allocation area" means that part of a military base reuse area  
 21 to which an allocation provision of a declaratory resolution  
 22 adopted under section 10 of this chapter refers for purposes of  
 23 distribution and allocation of property taxes.

24 (2) "Base assessed value" means:

25 (A) the net assessed value of all the property as finally  
 26 determined for the assessment date immediately preceding the  
 27 adoption date of the allocation provision of the declaratory  
 28 resolution, as adjusted under subsection (h); plus

29 (B) to the extent that it is not included in clause (A) or (C), the  
 30 net assessed value of any and all parcels or classes of parcels  
 31 identified as part of the base assessed value in the declaratory  
 32 resolution or an amendment thereto, as finally determined for  
 33 any subsequent assessment date; plus

34 (C) to the extent that it is not included in clause (A) or (B), the  
 35 net assessed value of property that is assessed as residential  
 36 property under the rules of the department of local government  
 37 finance, as finally determined for any assessment date after the  
 38 effective date of the allocation provision.

39 Clause (C) applies only to allocation areas established in a  
 40 military reuse area after June 30, 1997, and to the part of an  
 41 allocation area that was established before June 30, 1997, and that  
 42 is added to an existing allocation area after June 30, 1997.

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1 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real  
2 property.

3 (b) A declaratory resolution adopted under section 10 of this chapter  
4 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory  
5 resolutions adopted under IC 36-7-14-15 may include a provision with  
6 respect to the allocation and distribution of property taxes for the  
7 purposes and in the manner provided in this section. A declaratory  
8 resolution previously adopted may include an allocation provision by  
9 the amendment of that declaratory resolution in accordance with the  
10 procedures set forth in section 13 of this chapter. The allocation  
11 provision may apply to all or part of the military base reuse area. The  
12 allocation provision must require that any property taxes subsequently  
13 levied by or for the benefit of any public body entitled to a distribution  
14 of property taxes on taxable property in the allocation area be allocated  
15 and distributed as follows:

16 (1) Except as otherwise provided in this section, the proceeds of  
17 the taxes attributable to the lesser of:

18 (A) the assessed value of the property for the assessment date  
19 with respect to which the allocation and distribution is made;  
20 or

21 (B) the base assessed value;  
22 shall be allocated to and, when collected, paid into the funds of  
23 the respective taxing units.

24 (2) Except as otherwise provided in this section, property tax  
25 proceeds in excess of those described in subdivision (1) shall be  
26 allocated to the military base reuse district and, when collected,  
27 paid into an allocation fund for that allocation area that may be  
28 used by the military base reuse district and only to do one (1) or  
29 more of the following:

30 (A) Pay the principal of and interest and redemption premium  
31 on any obligations incurred by the military base reuse district  
32 or any other entity for the purpose of financing or refinancing  
33 military base reuse activities in or directly serving or  
34 benefiting that allocation area.

35 (B) Establish, augment, or restore the debt service reserve for  
36 bonds payable solely or in part from allocated tax proceeds in  
37 that allocation area or from other revenues of the reuse  
38 authority, including lease rental revenues.

39 (C) Make payments on leases payable solely or in part from  
40 allocated tax proceeds in that allocation area.

41 (D) Reimburse any other governmental body for expenditures  
42 made for local public improvements (or structures) in or

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directly serving or benefiting that allocation area.

(E) For property taxes first due and payable before 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the reuse authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area: STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter (before its repeal) in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The

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- 1 reimbursements under this clause must be made not more than  
 2 three (3) years after the date on which the investments that are  
 3 the basis for the increment financing are made.  
 4 The allocation fund may not be used for operating expenses of the  
 5 reuse authority.  
 6 (3) Except as provided in subsection (g), before July 15 of each  
 7 year the reuse authority shall do the following:  
 8 (A) Determine the amount, if any, by which property taxes  
 9 payable to the allocation fund in the following year will exceed  
 10 the amount of property taxes necessary to make, when due,  
 11 principal and interest payments on bonds described in  
 12 subdivision (2) plus the amount necessary for other purposes  
 13 described in subdivision (2).  
 14 (B) Provide a written notice to the county auditor, the fiscal  
 15 body of the unit that established the reuse authority, and the  
 16 officers who are authorized to fix budgets, tax rates, and tax  
 17 levies under IC 6-1.1-17-5 for each of the other taxing units  
 18 that is wholly or partly located within the allocation area. The  
 19 notice must:  
 20 (i) state the amount, if any, of excess property taxes that the  
 21 reuse authority has determined may be paid to the respective  
 22 taxing units in the manner prescribed in subdivision (1); or  
 23 (ii) state that the reuse authority has determined that there  
 24 are no excess property tax proceeds that may be allocated to  
 25 the respective taxing units in the manner prescribed in  
 26 subdivision (1).  
 27 The county auditor shall allocate to the respective taxing units  
 28 the amount, if any, of excess property tax proceeds determined  
 29 by the reuse authority. The reuse authority may not authorize  
 30 a payment to the respective taxing units under this subdivision  
 31 if to do so would endanger the interest of the holders of bonds  
 32 described in subdivision (2) or lessors under section 19 of this  
 33 chapter. Property taxes received by a taxing unit under this  
 34 subdivision before 2009 are eligible for the property tax  
 35 replacement credit provided under IC 6-1.1-21.  
 36 (c) For the purpose of allocating taxes levied by or for any taxing  
 37 unit or units, the assessed value of taxable property in a territory in the  
 38 allocation area that is annexed by a taxing unit after the effective date  
 39 of the allocation provision of the declaratory resolution is the lesser of:  
 40 (1) the assessed value of the property for the assessment date with  
 41 respect to which the allocation and distribution is made; or  
 42 (2) the base assessed value.

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(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer

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for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each ~~general~~ **reassessment of real property in an area under a county's reassessment plan** under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ **reassessment of the real property in the area under a county's reassessment plan** on the property tax proceeds allocated to the military base reuse district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base reuse district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(2) than would otherwise have been received if the ~~general~~ **reassessment under a county's reassessment plan** or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 204. IC 36-7-30.5-30, AS AMENDED BY P.L.146-2008, SECTION 772, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 30. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base development area to which an allocation provision of a declaratory resolution adopted under section 16 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment to the declaratory resolution, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the

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net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 16 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 18 of this chapter. The allocation provision may apply to all or part of the military base development area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the development authority and, when collected, paid into an allocation fund for that allocation area that may be used by the development authority and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the development authority or any other entity for the purpose of financing or refinancing military base development or reuse activities in or directly serving or ~~benefitting~~ **benefitting** that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the development authority, including lease rental revenues.

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(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefitting that allocation area.

(E) For property taxes first due and payable before 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the development authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; by
- (ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter (before its repeal) in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or ~~benefitting~~ **benefitting** the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as

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1 industrial property under the rules of the department of local  
2 government finance.

3 However, the total amount of money spent for this purpose in  
4 any year may not exceed the total amount of money in the  
5 allocation fund that is attributable to property taxes paid by the  
6 industrial facilities described in this clause. The  
7 reimbursements under this clause must be made not more than  
8 three (3) years after the date on which the investments that are  
9 the basis for the increment financing are made.

10 The allocation fund may not be used for operating expenses of the  
11 development authority.

12 (3) Except as provided in subsection (g), before July 15 of each  
13 year the development authority shall do the following:

14 (A) Determine the amount, if any, by which property taxes  
15 payable to the allocation fund in the following year will exceed  
16 the amount of property taxes necessary to make, when due,  
17 principal and interest payments on bonds described in  
18 subdivision (2) plus the amount necessary for other purposes  
19 described in subdivision (2).

20 (B) Provide a written notice to the appropriate county auditors  
21 and the fiscal bodies and other officers who are authorized to  
22 fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for  
23 each of the other taxing units that is wholly or partly located  
24 within the allocation area. The notice must:

25 (i) state the amount, if any, of the excess property taxes that  
26 the development authority has determined may be paid to  
27 the respective taxing units in the manner prescribed in  
28 subdivision (1); or

29 (ii) state that the development authority has determined that  
30 there is no excess assessed value that may be allocated to the  
31 respective taxing units in the manner prescribed in  
32 subdivision (1).

33 The county auditors shall allocate to the respective taxing units  
34 the amount, if any, of excess assessed value determined by the  
35 development authority. The development authority may not  
36 authorize a payment to the respective taxing units under this  
37 subdivision if to do so would endanger the interest of the  
38 holders of bonds described in subdivision (2) or lessors under  
39 section 24 of this chapter. Property taxes received by a taxing  
40 unit under this subdivision before 2009 are eligible for the  
41 property tax replacement credit provided under IC 6-1.1-21.

42 (c) For the purpose of allocating taxes levied by or for any taxing

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unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the military base development district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base development district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the development authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the development authority shall create funds as specified in this subsection. A development authority that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. The development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A development authority that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from

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property in the enterprise zone in the fund. The development authority that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or for other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to an allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each ~~general~~ reassessment of real property in an area under a county's reassessment plan under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment of the real property in the area under a county's reassessment plan on the property tax proceeds allocated to the military base development district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base development district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base development district under subsection (b)(2) than would otherwise have been received if the ~~general~~ reassessment under a county's reassessment plan or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 205. IC 36-7-32-19, AS AMENDED BY P.L.154-2006, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 19. (a) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department of local government finance consider appropriate for the implementation of an allocation area under this chapter.

(b) After each ~~general~~ reassessment of real property in an area under a county's reassessment plan under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment of the real

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**property in the area under a county's reassessment plan** on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter.

SECTION 206. IC 36-8-6-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:

Sec. 1.5. (a) As used in this chapter, "Internal Revenue Code":

(1) means the Internal Revenue Code of 1954, as in effect on September 1, 1974, if permitted with respect to governmental plans; or

(2) to the extent not inconsistent with subdivision (1), has the meaning set forth in IC 6-3-1-11.

(b) The 1925 fund shall satisfy the qualification requirements in Section 401 of the Internal Revenue Code, as applicable to the 1925 fund. In order to meet those requirements, the 1925 fund is subject to the following provisions, notwithstanding any other provision of this chapter:

(1) The local board shall distribute the corpus and income of the 1925 fund to members and their beneficiaries in accordance with this chapter.

(2) **Subject to subsection (d)**, no part of the corpus or income of the 1925 fund may be used or diverted to any purpose other than the exclusive benefit of the members and their beneficiaries.

(3) Forfeitures arising from severance of employment, death, or for any other reason may not be applied to increase the benefits any member would otherwise receive under this chapter.

(4) If the 1925 fund is terminated, or if all contributions to the 1925 fund are completely discontinued, the rights of each affected member to the benefits accrued at the date of the termination or discontinuance, to the extent then funded, are nonforfeitable.

(5) All benefits paid from the 1925 fund shall be distributed in accordance with the requirements of Section 401(a)(9) of the Internal Revenue Code and the regulations under that section. In order to meet those requirements, the 1925 fund is subject to the following provisions:

(A) The life expectancy of a member, the member's spouse, or the member's beneficiary shall not be recalculated after the initial determination, for purposes of determining benefits.

(B) If a member dies before the distribution of the member's

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benefits has begun, distributions to beneficiaries must begin no later than December 31 of the calendar year immediately following the calendar year in which the member died.

(C) The amount of an annuity paid to a member's beneficiary may not exceed the maximum amount determined under the incidental death benefit requirement of the Internal Revenue Code.

(6) The local board may not:

(A) determine eligibility for benefits;

(B) compute rates of contribution; or

(C) compute benefits of members or beneficiaries;

in a manner that discriminates in favor of members who are considered officers, supervisors, or highly compensated, as prohibited under Section 401(a)(4) of the Internal Revenue Code.

(7) Benefits paid under this chapter may not exceed the maximum benefit specified by Section 415 of the Internal Revenue Code.

(8) The salary taken into account under this chapter may not exceed the applicable amount under Section 401(a)(17) of the Internal Revenue Code.

(9) The local board may not engage in a transaction prohibited by Section 503(b) of the Internal Revenue Code.

(c) Notwithstanding any other provision of this chapter, and solely for the purposes of the benefits provided under this chapter, the benefit limitations of Section 415 of the Internal Revenue Code shall be determined by applying the provisions of Section 415(b)(10) of the Internal Revenue Code, as amended by the Technical and Miscellaneous Revenue Act of 1988. This section constitutes an election under Section 415(b)(10)(C) of the Internal Revenue Code to have Section 415(b) of the Internal Revenue Code, other than Section 415(b)(2)(G) of the Internal Revenue Code, applied without regard to Section 415(b)(2)(F) of the Internal Revenue Code to anyone who did not first become a participant before January 1, 1990.

**(d) The general assembly finds that any balance in a 1925 fund accruing from property taxes is no longer necessary to meet the obligations of the 1925 fund as a result of a change in IC 5-10.3-11-4.7 in 2008, which increased the amount payable by the state to local units of government to cover the total amount of pension, disability, and survivor benefit payments payable from the 1925 fund. To the extent permitted under Section 401 of the Internal Revenue Code, a local board may authorize the use of money in the 1925 fund to pay the following:**

**(1) Costs incurred by the local board or a city or town to**

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1           **administer the 1925 fund.**

2           **(2) Costs of health insurance or other health benefits provided**  
3           **to members of the 1925 fund or their beneficiaries.**

4           **The maximum amount that may be used under this subsection is**  
5           **the sum of the unencumbered balance of the 1925 fund on**  
6           **December 31, 2008, and the amount of property taxes imposed for**  
7           **an assessment date before January 16, 2008, for the benefit of the**  
8           **1925 fund and deposited in the 1925 fund after December 31, 2008.**

9           SECTION 207. IC 36-8-7-2.5 IS AMENDED TO READ AS  
10          FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:  
11          Sec. 2.5. (a) As used in this chapter, "Internal Revenue Code":

12               (1) means the Internal Revenue Code of 1954, as in effect on  
13               September 1, 1974, if permitted with respect to governmental  
14               plans; or

15               (2) to the extent not inconsistent with subdivision (1), has the  
16               meaning set forth in IC 6-3-1-11.

17          (b) The 1937 fund shall satisfy the qualification requirements in  
18          Section 401 of the Internal Revenue Code, as applicable to the 1937  
19          fund. In order to meet those requirements, the 1937 fund is subject to  
20          the following provisions, notwithstanding any other provision of this  
21          chapter:

22               (1) The local board shall distribute the corpus and income of the  
23               1937 fund to members and their beneficiaries in accordance with  
24               this chapter.

25               (2) **Subject to subsection (d)**, no part of the corpus or income of  
26               the 1937 fund may be used or diverted to any purpose other than  
27               the exclusive benefit of the members and their beneficiaries.

28               (3) Forfeitures arising from severance of employment, death, or  
29               for any other reason may not be applied to increase the benefits  
30               any member would otherwise receive under this chapter.

31               (4) If the 1937 fund is terminated, or if all contributions to the  
32               1937 fund are completely discontinued, the rights of each affected  
33               member to the benefits accrued at the date of the termination or  
34               discontinuance, to the extent then funded, are nonforfeitable.

35               (5) All benefits paid from the 1937 fund shall be distributed in  
36               accordance with the requirements of Section 401(a)(9) of the  
37               Internal Revenue Code and the regulations under that section. In  
38               order to meet those requirements, the 1937 fund is subject to the  
39               following provisions:

40                       (A) The life expectancy of a member, the member's spouse, or  
41                       the member's beneficiary shall not be recalculated after the  
42                       initial determination, for purposes of determining benefits.

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(B) If a member dies before the distribution of the member's benefits has begun, distributions to beneficiaries must begin no later than December 31 of the calendar year immediately following the calendar year in which the member died.

(C) The amount of an annuity paid to a member's beneficiary may not exceed the maximum determined under the incidental death benefit requirement of the Internal Revenue Code.

(6) The local board may not:

(A) determine eligibility for benefits;

(B) compute rates of contribution; or

(C) compute benefits of members or beneficiaries;

in a manner that discriminates in favor of members who are considered officers, supervisors, or highly compensated, as prohibited under Section 401(a)(4) of the Internal Revenue Code.

(7) Benefits paid under this chapter may not exceed the maximum benefit specified by Section 415 of the Internal Revenue Code.

(8) The salary taken into account under this chapter may not exceed the applicable amount under Section 401(a)(17) of the Internal Revenue Code.

(9) The local board may not engage in a transaction prohibited by Section 503(b) of the Internal Revenue Code.

(c) Notwithstanding any other provision of this chapter, and solely for the purposes of the benefits provided under this chapter, the benefit limitations of Section 415 of the Internal Revenue Code shall be determined by applying the provisions of Section 415(b)(10) of the Internal Revenue Code, as amended by the Technical and Miscellaneous Revenue Act of 1988. This section constitutes an election under Section 415(b)(10)(C) of the Internal Revenue Code to have Section 415(b) of the Internal Revenue Code, other than Section 415(b)(2)(G) of the Internal Revenue Code, applied without regard to Section 415(b)(2)(F) of the Internal Revenue Code to anyone who did not first become a participant before January 1, 1990.

**(d) The general assembly finds that any balance in a 1937 fund accruing from property taxes is no longer necessary to meet the obligations of the 1937 fund as a result of a change in IC 5-10.3-11-4.7 in 2008, which increased the amount payable by the state to local units of government to cover the total amount of pension, disability, and survivor benefit payments payable from the 1937 fund. To the extent permitted under Section 401 of the Internal Revenue Code, a local board may authorize the use of money in the 1937 fund to pay the following:**

**(1) Costs incurred by the local board or a city or town to**

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administer the 1937 fund.

(2) Costs of health insurance or other health benefits provided to members of the 1937 fund or their beneficiaries.

The maximum amount that may be used under this subsection is the sum of the unencumbered balance of the 1937 fund on December 31, 2008, and the amount of property taxes imposed for an assessment date before January 16, 2008, for the benefit of the 1937 fund and deposited in the 1937 fund after December 31, 2008.

SECTION 208. IC 36-8-7.5-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:  
Sec. 1.5. (a) As used in this chapter, "Internal Revenue Code":

(1) means the Internal Revenue Code of 1954, as in effect on September 1, 1974, if permitted with respect to governmental plans; or

(2) to the extent not inconsistent with subdivision (1), has the meaning set forth in IC 6-3-1-11.

(b) The 1953 fund shall satisfy the qualification requirements in Section 401 of the Internal Revenue Code, as applicable to the 1953 fund. In order to meet those requirements, the 1953 fund is subject to the following provisions, notwithstanding any other provision of this chapter:

(1) The local board shall distribute the corpus and income of the 1953 fund to members and their beneficiaries in accordance with this chapter.

(2) **Subject to subsection (d)**, no part of the corpus or income of the 1953 fund may be used or diverted to any purpose other than the exclusive benefit of the members and their beneficiaries.

(3) Forfeitures arising from severance of employment, death, or for any other reason may not be applied to increase the benefits any member would otherwise receive under this chapter.

(4) If the 1953 fund is terminated, or if all contributions to the 1953 fund are completely discontinued, the rights of each affected member to the benefits accrued at the date of the termination or discontinuance, to the extent then funded, are nonforfeitable.

(5) All benefits paid from the 1953 fund shall be distributed in accordance with the requirements of Section 401(a)(9) of the Internal Revenue Code and the regulations under that section. In order to meet those requirements, the 1953 fund is subject to the following provisions:

(A) The life expectancy of a member, the member's spouse, or the member's beneficiary shall not be recalculated after the initial determination, for purposes of determining benefits.

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(B) If a member dies before the distribution of the member's benefits has begun, distributions to beneficiaries must begin no later than December 31 of the calendar year immediately following the calendar year in which the member died.

(C) The amount of an annuity paid to a member's beneficiary may not exceed the maximum determined under the incidental death benefit requirement of the Internal Revenue Code.

(6) The local board may not:

(A) determine eligibility for benefits;

(B) compute rates of contribution; or

(C) compute benefits of members or beneficiaries;

in a manner that discriminates in favor of members who are considered officers, supervisors, or highly compensated, as prohibited under Section 401(a)(4) of the Internal Revenue Code.

(7) Benefits paid under this chapter may not exceed the maximum benefit specified by Section 415 of the Internal Revenue Code.

(8) The salary taken into account under this chapter may not exceed the applicable amount under Section 401(a)(17) of the Internal Revenue Code.

(9) The local board may not engage in a transaction prohibited by Section 503(b) of the Internal Revenue Code.

(c) Notwithstanding any other provision of this chapter, and solely for the purposes of the benefits provided under this chapter, the benefit limitations of Section 415 of the Internal Revenue Code shall be determined by applying the provisions of Section 415(b)(10) of the Internal Revenue Code, as amended by the Technical and Miscellaneous Revenue Act of 1988. This section constitutes an election under Section 415(b)(10)(C) of the Internal Revenue Code to have Section 415(b) of the Internal Revenue Code, other than Section 415(b)(2)(G) of the Internal Revenue Code, applied without regard to Section 415(b)(2)(F) of the Internal Revenue Code to anyone who did not first become a participant before January 1, 1990.

**(d) The general assembly finds that any balance in a 1953 fund accruing from property taxes is no longer necessary to meet the obligations of the 1953 fund as a result of a change in IC 5-10.3-11-4.7 in 2008, which increased the amount payable by the state to local units of government to cover the total amount of pension, disability, and survivor benefit payments payable from the 1953 fund. To the extent permitted under Section 401 of the Internal Revenue Code, a local board may authorize the use of money in the 1953 fund to pay the following:**

**(1) Costs incurred by the local board or a city or town to**

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1 administer the 1953 fund.

2 (2) Costs of health insurance or other health benefits provided  
3 to members of the 1953 fund or their beneficiaries.

4 The maximum amount that may be used under this subsection is  
5 the sum of the unencumbered balance of the 1953 fund on  
6 December 31, 2008, and the amount of property taxes imposed for  
7 an assessment date before January 16, 2008, for the benefit of the  
8 1953 fund and deposited in the 1953 fund after December 31, 2008.

9 SECTION 209. IC 36-8-11-18, AS AMENDED BY P.L.146-2008,  
10 SECTION 780, IS AMENDED TO READ AS FOLLOWS  
11 [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 18. (a) The  
12 board shall annually budget the necessary money to meet the expenses  
13 of operation and maintenance of the district, including repairs, fees,  
14 salaries, depreciation on all depreciable assets, rents, supplies,  
15 contingencies, bond redemption, and all other expenses lawfully  
16 incurred by the district. After estimating expenses and receipts of  
17 money, the board shall establish the tax levy required to fund the  
18 estimated budget.

19 (b) The budget must be approved by:

20 (1) the fiscal body of the county in conformity with  
21 IC 6-1.1-17-20; and

22 (2) the county board of tax adjustment, ~~and the department of~~  
23 ~~local government finance:~~ **if a county board of tax adjustment**  
24 **reviews budgets, tax rates, and tax levies in a county where**  
25 **the fire protection territory is located.**

26 (c) ~~Upon approval by the department of local government finance,~~  
27 ~~the board shall certify the approved tax levy to the auditor of the county~~  
28 ~~having land within the district. The auditor shall have the levy entered~~  
29 ~~on the county treasurer's tax records for collection.~~ After collection of  
30 the taxes the auditor shall issue a warrant on the treasurer to transfer  
31 the revenues collected to the board, as provided by statute.

32 SECTION 210. IC 36-8-13-3 IS AMENDED TO READ AS  
33 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The  
34 executive of a township, with the approval of the legislative body, may  
35 do the following:

36 (1) Purchase firefighting and emergency services apparatus and  
37 equipment for the township, provide for the housing, care,  
38 maintenance, operation, and use of the apparatus and equipment  
39 to provide services within the township but outside the corporate  
40 boundaries of municipalities, and employ full-time or part-time  
41 personnel to operate the apparatus and equipment and to provide  
42 services in that area. Preference in employment under this section

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shall be given according to the following priority:

(A) A war veteran who has been honorably discharged from the United States armed forces.

(B) A person whose mother or father was a:

(i) firefighter of a unit;

(ii) municipal police officer; or

(iii) county police officer;

who died in the line of duty (as defined in IC 5-10-10-2).

A person described in this subdivision may not receive a preference for employment unless the person applies for employment and meets all employment requirements prescribed by law, including physical and age requirements, and all employment requirements prescribed by the fire department.

(2) Contract with a municipality in the township or in a contiguous township that maintains adequate firefighting or emergency services apparatus and equipment to provide fire protection or emergency services for the township in accordance with IC 36-1-7.

(3) Cooperate with a municipality in the township or in a contiguous township in the purchase, maintenance, and upkeep of firefighting or emergency services apparatus and equipment for use in the municipality and township in accordance with IC 36-1-7.

(4) Contract with a volunteer fire department that has been organized to fight fires in the township for the use and operation of firefighting apparatus and equipment that has been purchased by the township in order to save the private and public property of the township from destruction by fire, including use of the apparatus and equipment in an adjoining township by the department if the department has made a contract with the executive of the adjoining township for the furnishing of firefighting service within the township.

(5) Contract with a volunteer fire department that maintains adequate firefighting service in accordance with IC 36-8-12.

(b) This subsection applies only to townships that provide fire protection or emergency services or both under subsection (a)(1) and to municipalities that have ~~at~~ **some part of the** municipal territory ~~completely~~ within a township and do not have a full-time paid fire department. A township may provide fire protection or emergency services or both without contracts inside the corporate boundaries of the municipalities if before July 1 of a year the following occur:

(1) The legislative body of the municipality adopts an ordinance

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1 to have the township provide the services without a contract.

2 (2) The township legislative body passes a resolution approving  
3 the township's provision of the services without contracts to the  
4 municipality.

5 In a township providing services to a municipality under this section,  
6 the legislative body of either the township or a municipality in the  
7 township may opt out of participation under this subsection by adopting  
8 an ordinance or a resolution, respectively, before July 1 of a year.

9 (c) This subsection applies only to a township that:

10 (1) is located in a county containing a consolidated city;

11 (2) has at least three (3) included towns (as defined in  
12 IC 36-3-1-7) that have all municipal territory completely within  
13 the township on January 1, 1996; and

14 (3) provides fire protection or emergency services, or both, under  
15 subsection (a)(1);

16 and to included towns (as defined in IC 36-3-1-7) that have all the  
17 included town's municipal territory completely within the township. A  
18 township may provide fire protection or emergency services, or both,  
19 without contracts inside the corporate boundaries of the municipalities  
20 if before August 1 of the year preceding the first calendar year to which  
21 this subsection applies the township legislative body passes a  
22 resolution approving the township's provision of the services without  
23 contracts to the municipality. The resolution must identify the included  
24 towns to which the resolution applies. In a township providing services  
25 to a municipality under this section, the legislative body of the  
26 township may opt out of participation under this subsection by adopting  
27 a resolution before July 1 of a year. A copy of a resolution adopted  
28 under this subsection shall be submitted to the executive of each  
29 included town covered by the resolution, the county auditor, and the  
30 department of local government finance.

31 SECTION 211. IC 36-8-15-19, AS AMENDED BY P.L.146-2008,  
32 SECTION 784, IS AMENDED TO READ AS FOLLOWS  
33 [EFFECTIVE JULY 1, 2009]: Sec. 19. (a) This subsection applies to  
34 a county that has a population of more than one hundred eighty-two  
35 thousand seven hundred ninety (182,790) but less than two hundred  
36 thousand (200,000). For the purpose of raising money to fund the  
37 operation of the district, the county fiscal body may impose, for  
38 property taxes first due and payable during each year after the adoption  
39 of an ordinance establishing the district, an ad valorem property tax  
40 levy on property within the district. The property tax rate for that levy  
41 may not exceed five cents (\$0.05) on each one hundred dollars (\$100)  
42 of assessed valuation.

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(b) This subsection applies to a county having a consolidated city. The county fiscal body may elect to fund the operation of the district from part of the certified distribution, if any, that the county is to receive during a particular calendar year under IC 6-3.5-6-17. To make such an election, the county fiscal body must adopt an ordinance before September 1 of the immediately preceding calendar year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to fund the operation of the district. If the county fiscal body adopts such an ordinance, it shall immediately send a copy of the ordinance to the county auditor.

(c) Subject to subsections (d), (e), and (f), if an ordinance or resolution is adopted changing the territory covered by the district or the number of public agencies served by the district, the ~~local government tax control board~~ **department of local government finance** shall, for property taxes first due and payable during the year after the adoption of the ordinance, adjust the maximum permissible ad valorem property tax levy limits of the district and the units participating in the district.

(d) If a unit by ordinance or resolution joins the district or elects to have its public safety agencies served by the district, the ~~local government tax control board~~ **department of local government finance** shall reduce the maximum permissible ad valorem property tax levy of the unit for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amount budgeted by the unit for public safety communication services in the year in which the ordinance was adopted. If such an ordinance or resolution is adopted, the district shall refer its proposed budget, ad valorem property tax levy, and property tax rate for the following year to the ~~board~~, **department of local government finance**, which shall review and set the budget, levy, and rate as though the district were covered by IC 6-1.1-18.5-7.

(e) If a unit by ordinance or resolution withdraws from the district or rescinds its election to have its public safety agencies served by the district, the ~~local government tax control board~~ **department of local government finance** shall reduce the maximum permissible ad valorem property tax levy of the district for property taxes first due and payable during the year after the adoption of the ordinance or resolution. The reduction shall be based on the amounts being levied by the district within that unit. If such an ordinance or resolution is adopted, the unit shall refer its proposed budget, ad valorem property tax levy, and property tax rate for public safety communication services to the ~~board~~, **department of local government finance**, which shall

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review and set the budget, levy, and rate as though the unit were covered by IC 6-1.1-18.5-7.

(f) The adjustments provided for in subsections (c), (d), and (e) do not apply to a district or unit located in a particular county if the county fiscal body of that county does not impose an ad valorem property tax levy under subsection (a) to fund the operation of the district.

(g) A county that has adopted an ordinance under section 1(3) of this chapter may not impose an ad valorem property tax levy on property within the district to fund the operation or implementation of the district.

SECTION 212. IC 36-8-19-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 6.5. (a) The legislative bodies of all participating units in a territory may agree to change the provider unit of the territory from one (1) participating unit to another participating unit. To change the provider unit, the legislative body of each participating unit must adopt an ordinance (if the unit is a county or municipality) or a resolution (if the unit is a township) that agrees to and specifies the new provider unit. The provider unit may not be changed unless all participating units agree on the participating unit that will become the new provider unit. The participating units may not change the provider unit more than one (1) time in any year.**

**(b) The following apply to an ordinance or a resolution adopted under this section to change the provider unit of the territory:**

**(1) The ordinance or resolution must be adopted after January 1 but before April 1 of a year.**

**(2) The ordinance or resolution takes effect January 1 of the year following the year in which the ordinance or resolution is adopted.**

SECTION 213. IC 36-8-19-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 7.5. (a) This section applies to:**

**(1) county adjusted gross income tax, county option income tax, and county economic development income tax distributions; and**

**(2) excise tax distributions;**  
**made after December 31, 2009.**

**(b) For purposes of allocating any county adjusted gross income tax, county option income tax, and county economic development income tax distributions or excise tax distributions that are distributed based on the amount of a taxing unit's property tax**

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levies, each participating unit in a territory shall be considered to have imposed a part of the property tax levy imposed for the territory. The part of the property tax levy imposed for the territory for a particular year that shall be attributed to a participating unit is equal to the amount determined in the following STEPS:

**STEP ONE: Determine the total amount of all property taxes imposed by the participating unit in the year before the year in which a property tax levy was first imposed for the territory.**

**STEP TWO: Determine the sum of the STEP ONE amounts for all participating units.**

**STEP THREE: Divide the STEP ONE result by the STEP TWO result.**

**STEP FOUR: Multiply the STEP THREE result by the property tax levy imposed for the territory for the particular year.**

SECTION 214. IC 36-8-19-8, AS AMENDED BY P.L.128-2008, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 8. (a) Upon the adoption of identical ordinances or resolutions, or both, by the participating units under section 6 of this chapter, the designated provider unit must establish a fire protection territory fund from which all expenses of operating and maintaining the fire protection services within the territory, including repairs, fees, salaries, depreciation on all depreciable assets, rents, supplies, contingencies, and all other expenses lawfully incurred within the territory shall be paid. The purposes described in this subsection are the sole purposes of the fund, and money in the fund may not be used for any other expenses. Except as allowed in subsections (d) and (e) and section 8.5 of this chapter, the provider unit is not authorized to transfer money out of the fund at any time.

(b) The fund consists of the following:

- (1) All receipts from the tax imposed under this section.
- (2) Any money transferred to the fund by the provider unit as authorized under subsection (d).
- (3) Any receipts from a false alarm fee or service charge imposed by the participating units under IC 36-8-13-4.
- (4) Any money transferred to the fund by a participating unit under section 8.6 of this chapter.

(c) The provider unit, with the assistance of each of the other participating units, shall annually budget the necessary money to meet

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the expenses of operation and maintenance of the fire protection services within the territory, plus a reasonable operating balance, not to exceed twenty percent (20%) of the budgeted expenses. **Except as provided in IC 6-1.1-18.5-10.5**, after estimating expenses and receipts of money, the provider unit shall establish the tax levy required to fund the estimated budget. The amount budgeted under this subsection shall be considered a part of each of the participating unit's budget.

(d) If the amount levied in a particular year is insufficient to cover the costs incurred in providing fire protection services within the territory, the provider unit may transfer from available sources to the fire protection territory fund the money needed to cover those costs. In this case:

(1) the levy in the following year shall be increased by the amount required to be transferred; and

(2) the provider unit is entitled to transfer the amount described in subdivision (1) from the fund as reimbursement to the provider unit.

(e) If the amount levied in a particular year exceeds the amount necessary to cover the costs incurred in providing fire protection services within the territory, the levy in the following year shall be reduced by the amount of surplus money that is not transferred to the equipment replacement fund established under section 8.5 of this chapter. The amount that may be transferred to the equipment replacement fund may not exceed five percent (5%) of the levy for that fund for that year. Each participating unit must agree to the amount to be transferred by adopting an ordinance (if the unit is a county or municipality) or a resolution (if the unit is a township) that specifies an identical amount to be transferred.

(f) The tax under this section is ~~not~~ subject to the tax levy limitations imposed ~~on civil taxing units under IC 6-1.1-18.5 for any unit that is a participating unit in a fire protection territory that was established before August 1, 2001; under IC 6-1.1-18.5-10.5.~~

(g) This subsection applies to a participating unit in a fire protection territory established under IC 36-8-19 after July 31, 2001. For purposes of calculating a participating unit's maximum permissible ad valorem property tax levy for the three (3) calendar years in which the participating unit levies a tax to support the territory, the unit's maximum permissible ad valorem property tax levy for the preceding calendar year under IC 6-1.1-18.5-3(a) STEP ONE or IC 6-1.1-18.5-3(b) STEP ONE is increased each year by an amount equal to the difference between the:

(1) amount the unit will have to levy for the ensuing calendar year

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1 in order to fund the unit's share of the fire protection territory  
 2 budget for the operating costs as provided in the ordinance or  
 3 resolution making the unit a participating unit in the fire  
 4 protection territory; and  
 5 (2) unit's levy for fire protection services for the calendar year that  
 6 immediately precedes the ensuing calendar year in which the  
 7 participating unit levies a tax to support the territory.

8 SECTION 215. IC 36-9-36-64 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 64. (a) For the purpose  
 10 of raising money for the payment of certificates of indebtedness issued  
 11 under section 62 of this chapter (or under IC 36-9-18 before its repeal  
 12 in 1993) the fiscal body of the unit may do any of the following:

- 13 (1) Levy a special tax on all property in the unit each year.
- 14 (2) Issue and sell the bonds of the unit.
- 15 (3) Appropriate money from the general fund of the unit or from  
 16 any other source.

17 (b) A special tax levied under this section shall be ~~fixed at a rate on~~  
 18 ~~each one hundred dollars (\$100) of assessed valuation of levied on the~~  
 19 taxable property in the unit **in an amount** sufficient for the payment of  
 20 the certificates, together with interest, that were or will be issued  
 21 between July 1 of the preceding year and July 1 of the year in which the  
 22 levy of taxes is made.

23 (c) A special tax levied under this section shall be:

- 24 (1) levied, certified to the county auditor, and collected in the  
 25 same manner as other taxes are levied, certified, and collected;  
 26 and
- 27 (2) deposited in a separate fund known as the county (or  
 28 municipal) improvement certificate fund for application to the  
 29 payment of the certificates.

30 (d) The balance of the improvement certificate fund does not revert  
 31 to the unit's general fund at the end of the unit's fiscal year, but remains  
 32 in the fund for the next fiscal year.

33 SECTION 216. IC 36-9-41-4 IS AMENDED TO READ AS  
 34 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. A political  
 35 subdivision borrowing money under section 3 of this chapter shall  
 36 execute and deliver to the financial institution the negotiable note of  
 37 the political subdivision for the sum borrowed. The note must bear  
 38 interest, with both principal and interest payable in equal or  
 39 approximately equal installments on January 1 and July 1 each year  
 40 over a period not exceeding ~~six (6)~~ **ten (10)** years.

41 SECTION 217. IC 6-1.1-20.6-3.5 IS REPEALED [EFFECTIVE  
 42 JANUARY 1, 2009 (RETROACTIVE)].

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SECTION 218. IC 6-1.1-8-23 IS REPEALED [EFFECTIVE MARCH 1, 2009 (RETROACTIVE)].

SECTION 219. P.L.144-2008, SECTION 53 IS REPEALED [EFFECTIVE UPON PASSAGE].

SECTION 220. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2009]: IC 6-1.1-18.5-11; IC 6-1.1-19-4.1; IC 6-1.1-34-3; IC 20-18-2-21.5; IC 20-45-1-5.

SECTION 221. P.L.146-2008, SECTION 840 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION 840. **(a)** For property taxes first due and payable after December 31, 2008, the department of local government finance shall reduce the maximum permissible ad valorem property tax levy of any civil taxing unit and special service district by the amount of the payment to be made in 2009 by the state of Indiana under IC 5-10.3-11, as amended by this act, for benefits to members (and survivors and beneficiaries of members) of the 1925 police pension fund, the 1937 firefighters' pension fund, or the 1953 police pension fund.

**(b) It is the intent of the general assembly that this SECTION be applied in the manner specified by the department of local government finance in its memorandum "Pre-1977 Police and Firefighters' Pension" dated July 23, 2008. An action taken in conformity with the memorandum is legalized and validated.**

**(c) This SECTION expires January 1, 2011.**

SECTION 222. P.L.146-2008, SECTION 849 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: SECTION 849. (a) The definitions in IC 6-1.1-1, IC 6-1.1-20.9 (before its repeal), and IC 6-1.1-21 (before its repeal) apply throughout this SECTION.

(b) A taxpayer that is entitled to a standard deduction under IC 6-1.1-12-37 for property taxes assessed for the March 1, 2008, and January 15, 2009, assessment dates is entitled to a homestead credit under this SECTION against the property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) imposed against the taxpayer's homestead for the March 1, 2008, and January 15, 2009, assessment dates.

(c) The amount of the credit to which an owner is entitled under this SECTION equals the product of:

- (1) the percentage prescribed in subsection (d)(3); multiplied by
- (2) the amount of the individual's property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) that is:

- (A) attributable to the homestead during the particular calendar year; and

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(B) determined after the application of all deductions from assessed valuation that the owner claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property and the property tax replacement credit under IC 6-1.1-21.

(d) The county auditor of each county shall determine:

(1) the amount of the county's homestead credit allotment determined under subsection (e);

(2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(e) There is granted under this SECTION a total of one hundred forty million dollars (\$140,000,000) of homestead credits. The homestead credits shall be distributed to each county as prescribed in subsection (f). Before distribution, the department of local government finance shall certify each county's homestead credit allotment to the department of state revenue and to each county auditor.

(f) Each county's certified homestead credit allotment, which shall be calculated by the budget agency, shall be determined under the following STEPS:

STEP ONE: For each county, determine the total property tax liability of all homestead properties in the county for the most recent calendar year before the application of any credits.

STEP TWO: For each county, determine the total property tax liability of all homestead properties resulting from property tax levies that are eliminated or replaced by this act for the most recent calendar year, before the application of any credits.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the sum of the amounts determined under STEP THREE.

STEP FIVE: Divide the amount determined in STEP THREE by the amount determined in STEP FOUR.

STEP SIX: Multiply the result of STEP THREE by one hundred forty million dollars (\$140,000,000).

(g) Each county's homestead credit allotment authorized in this SECTION shall be distributed to that county ~~not more than in two (2) weeks after the county mails a property tax bill for which the homestead credit under this SECTION is granted.~~ **equal installments. The first installment shall be distributed not later than the first due date for property taxes payable in the county. The second**

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**installment shall be distributed not later than the second due date for property taxes payable in the county.**

(h) In addition to any other appropriations, there is appropriated one hundred forty million dollars (\$140,000,000) from the state general fund to make distributions for the homestead credits provided by this SECTION for property taxes assessed for the March 1, 2008, and January 15, 2009, assessment dates. Money distributed under this subsection shall be treated as property taxes for all purposes.

(i) The department of local government finance, the department of state revenue, and the budget agency shall take the actions necessary to carry out this SECTION. The department of local government finance and the budget agency shall make the certifications required under this SECTION based on the best information available at the time the certification is made.

SECTION 223. P.L.146-2008, SECTION 850 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: SECTION 850. (a) The definitions in IC 6-1.1-1, IC 6-1.1-20.9 (before its repeal), and IC 6-1.1-21 (before its repeal) apply throughout this SECTION.

(b) A taxpayer that is entitled to a standard deduction under IC 6-1.1-12-37 for property taxes assessed for the March 1, 2009, and January 15, 2010, assessment dates is entitled to a homestead credit under this SECTION against the property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) imposed against the taxpayer's homestead for the March 1, 2009, and January 15, 2010, assessment dates.

(c) The amount of the credit to which an owner is entitled under this SECTION equals the product of:

- (1) the percentage prescribed in subsection (d)(3); multiplied by
- (2) the amount of the individual's property tax liability (as described in IC 6-1.1-21-5 (before its repeal)) that is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of all deductions from assessed valuation that the owner claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property and the property tax replacement credit under IC 6-1.1-21.

(d) The county auditor of each county shall determine:

- (1) the amount of the county's homestead credit allotment determined under subsection (e);
- (2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under

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subdivision (1); and

(3) the percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(e) There is granted under this SECTION a total of eighty million dollars (\$80,000,000) of homestead credits. The homestead credits shall be distributed to each county as prescribed in subsection (f). Before distribution, the department of local government finance shall certify each county's homestead credit allotment to the department of state revenue and to each county auditor.

(f) Each county's certified homestead credit allotment, which shall be calculated by the budget agency, shall be determined under the following STEPS:

STEP ONE: For each county, determine the total of state homestead credits granted in the county for the most recent calendar year.

STEP TWO: Determine the sum of the amounts determined under STEP ONE.

STEP THREE: Divide the amount determined in STEP ONE by the amount determined in STEP TWO.

STEP FOUR: Multiply the result of STEP THREE by eighty million dollars (\$80,000,000).

(g) Each county's homestead credit allotment authorized in this SECTION shall be distributed to that county ~~not more than in two (2) weeks after the county mails a property tax bill for which the homestead credit under this SECTION is granted.~~ **equal installments. The first installment shall be distributed not later than the first due date for property taxes payable in the county. The second installment shall be distributed not later than the second due date for property taxes payable in the county.**

(h) In addition to any other appropriations, there is appropriated eighty million dollars (\$80,000,000) from the state general fund to make distributions for the homestead credits provided by this SECTION for property taxes assessed for the March 1, 2009, and January 15, 2010, assessment dates. Money distributed under this subsection shall be treated as property taxes for all purposes.

(i) The department of local government finance, the department of state revenue, and the budget agency shall take the actions necessary to carry out this SECTION. The department of local government finance and the budget agency shall make the certifications required under this SECTION based on the best information available at the time the certification is made.

SECTION 224. [EFFECTIVE JANUARY 1, 2009

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(RETROACTIVE)] (a) IC 6-1.1-31-7, as amended by this act, does not apply to assessment dates before January 16, 2010.

(b) IC 6-1.1-4-42, as added by this act, does not apply to assessment dates before January 16, 2009. A rule or guideline of the department of local government finance adopted or issued before April 29, 2009, is void to the extent that the rule or guideline is in conflict with IC 6-1.1-4-42, as added by this act.

(c) This SECTION expires January 1, 2011.

SECTION 225. [EFFECTIVE MARCH 1, 2008 (RETROACTIVE)]

(a) The amendments made by this act to:

- (1) IC 6-1.1-5.5-5;
- (2) IC 6-1.1-12-9;
- (3) IC 6-1.1-12-17.8;
- (4) IC 6-1.1-12-17.9;
- (5) IC 6-1.1-12-37;
- (6) IC 6-1.1-12-43;
- (7) IC 6-1.1-12-44;
- (8) IC 6-1.1-17-0.5; and
- (9) IC 6-1.1-20.6-8.5;

and the repeal of IC 6-1.1-20.6-3.5 by this act apply to deductions and credits that affect property taxes first due and payable for assessment dates after February 29, 2008, regardless of whether an application for a particular deduction or credit was filed before January 1, 2009.

(b) This SECTION expires July 1, 2011.

SECTION 226. [EFFECTIVE JULY 1, 2009] (a) IC 6-1.1-20-1.9, as amended by this act, applies only to a petition requesting the application of the local public question process to bonds or a lease for which the preliminary determination to issue the bonds or enter into the lease is published under IC 6-1.1-20-3.5(b)(2) after June 30, 2009.

(b) This SECTION expires July 1, 2011.

SECTION 227. [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)] IC 36-8-19-8, as amended by this act, applies to property taxes first due and payable after December 31, 2008.

SECTION 228. [EFFECTIVE JULY 1, 2009] (a) IC 6-1.1-12-9, as amended by this act, applies to property taxes first due and payable after December 31, 2009.

(b) This SECTION expires January 1, 2013.

SECTION 229. [EFFECTIVE JULY 1, 2009] (a) This SECTION applies to a county that had an amount transferred to the county's levy excess fund established under IC 6-1.1-18.5-17 from the

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1 county's:

2 (1) family and children's fund under P.L.146-2008, SECTION  
3 823(b); and

4 (2) children's psychiatric residential treatment services fund  
5 under P.L.146-2008, SECTION 824(b).

6 (b) A county fiscal body may adopt a resolution to transfer the  
7 amount referred to in subsection (a) from the county's levy excess  
8 fund to the county's rainy day fund established under  
9 IC 36-1-8-5.1.

10 (c) This SECTION expires December 31, 2009.

11 SECTION 230. [EFFECTIVE UPON PASSAGE] (a) This  
12 SECTION applies to a county that had at least ten million dollars  
13 (\$10,000,000) transferred to the county's levy excess fund  
14 established under IC 6-1.1-18.5-17 from the county's:

15 (1) family and children's fund under P.L.146-2008, SECTION  
16 823(b); and

17 (2) children's psychiatric residential treatment services fund  
18 under P.L.146-2008, SECTION 824(b).

19 (b) As used in this SECTION, "civil taxing unit" has the  
20 meaning set forth in:

21 (1) IC 6-3.5-1.1-1, if the county adjusted gross income tax is in  
22 effect in the county; or

23 (2) IC 6-3.5-6-1, if the county adjusted gross income tax is not  
24 in effect in the county.

25 (c) A county fiscal body may adopt a resolution to distribute a  
26 amount equal to those transfers referred to in subsection (a) from  
27 the county's levy excess fund to the county's rainy day fund  
28 established under IC 36-1-8-5.1 and for public safety as follows:

29 (1) One million dollars (\$1,000,000) from those transfers  
30 referred to in subsection (a) shall be distributed to the  
31 county's rainy day fund established under IC 36-1-8-5.1.

32 (2) Two-thirds (2/3) of the amount from those transfers  
33 referred to in subsection (a) that remains after the  
34 distribution under subdivision (1) shall be distributed to civil  
35 taxing units in the county.

36 (d) Before June 1, 2009, the county auditor shall determine each  
37 civil taxing unit's share of the amount referred to in subsection  
38 (c)(2) in the same manner that local income tax distributions are  
39 determined under:

40 (1) IC 6-3.5-1.1-15, if the county adjusted gross income tax is  
41 in effect in the county; or

42 (2) IC 6-3.5-6-18(6), if the county adjusted gross income tax is

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not in effect in the county.

The county auditor shall make the distributions to the civil taxing units in June 2009.

(e) This SECTION expires December 31, 2011.

SECTION 231. [EFFECTIVE UPON PASSAGE] (a) This SECTION applies only to the Pendleton Community Library.

(b) Notwithstanding IC 36-12-12, the library board governing the library described in subsection (a) may annually impose a property tax levy for the library's capital projects fund in an amount that exceeds the limits imposed by IC 36-12-12 by twenty thousand dollars (\$20,000) for each calendar year beginning after December 31, 2009, and ending before January 1, 2015.

(c) This SECTION expires January 1, 2015.

SECTION 232. [EFFECTIVE UPON PASSAGE] (a) This SECTION applies to a fire protection district that:

(1) was initially established in 2006;

(2) has experienced significant revenue shortfalls due to cumulative mathematical errors in the calculation of its maximum permissible property tax levies in 2007 and 2008; and

(3) may experience a significant revenue shortfall in 2009 and 2010, requiring the district to seek funds in addition to the amounts certified for the district's current budget to provide fire protection to district residents.

(b) A fire protection district described in this SECTION may borrow a specified amount of money if:

(1) the board of fire trustees of the district finds that:

(A) an emergency exists requiring the expenditure of money not included in the district's budget estimates and levy; and

(B) the emergency requiring the expenditure of money is related to paying the operating expenses of the district; and

(2) the fiscal body of the county approves the expenditure of the money.

(c) A fire protection district shall comply with IC 36-8-11-17 with respect to a borrowing under this SECTION.

(d) The county fiscal body shall levy property taxes in amount sufficient to cover payments due under the borrowing authorized under this SECTION.

(e) This SECTION expires December 31, 2011.

SECTION 233. [EFFECTIVE UPON PASSAGE] (a) This

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**SECTION applies only to an entity and to property that meet all of the following conditions:**

**(1) The entity is a nonprofit religious affiliated school that has been in existence for more than forty-five (45) years in a county containing a consolidated city.**

**(2) The entity received a gift of real property and improvements that for the assessment date in 2005 was exempt from property taxes under IC 6-1.1-10.**

**(3) The entity failed to file a timely application under IC 6-1.1-11 for property tax exemption for the property for the assessment date in 2006.**

**(4) For the assessment dates in 2006, 2007, and 2008:**

**(A) property owned by the entity would have been eligible for exemption from property taxes if the entity had timely filed an application under IC 6-1.1-11 for property tax exemption for the property; and**

**(B) the entity's property was subject to taxation.**

**(b) Notwithstanding IC 6-1.1-11 or any other law specifying the date by which an application or statement for property tax exemption must be filed to claim or continue an exemption for a particular assessment date, an entity described in subsection (a) may before July 1, 2009, file with the county assessor:**

**(1) an application for property tax exemption for the 2006 assessment date;**

**(2) a statement to continue the property tax exemption for the 2007 assessment date; and**

**(3) an application for property tax exemption for the 2008 assessment date.**

**(c) Notwithstanding IC 6-1.1-11 or any other law, an application or statement for property tax exemption filed under subsection (b) is considered to be timely filed, and the county assessor shall forward the applications and statement to the county property tax assessment board of appeals for review. The board shall grant an exemption claimed for the assessment dates in 2006, 2007, and 2008 for property tax exemption if the board determines that:**

**(1) the entity's applications and statement for property tax exemption satisfy the requirements of this SECTION; and**

**(2) the entity's property was, except for the failure to timely file an application or statement for property tax exemption, otherwise eligible for the claimed exemption.**

**If an entity is granted an exemption under this SECTION, any unpaid property tax liability, including interest, for the entity's**

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property shall be canceled by the county treasurer.

(d) If an entity has previously paid the tax liability for property with respect to the 2006, 2007, or 2008 assessment date and the property is granted an exemption under this SECTION for the assessment date, the county auditor shall issue a refund of the property tax paid by the entity. An entity is not required to apply for any refund due under this SECTION. The county auditor shall, without an appropriation being required, issue a warrant to the entity payable from the county general fund for the amount of the refund, if any, due the entity. No interest is payable on the refund.

(e) This SECTION expires January 1, 2010.

SECTION 234. [EFFECTIVE UPON PASSAGE] (a) This SECTION applies only to a church and to land that meets all of the following conditions:

(1) The church owns real property and improvements located in a county containing a consolidated city that was exempt from property taxation under IC 6-1.1-10 for the assessment dates in 2007 and 2008.

(2) The church purchased land that is located adjacent to the real property described in subdivision (1) after the 2007 assessment date but before the final tax statements for taxes first due and payable in 2007 were mailed.

(3) The church failed to timely file an application under IC 6-1.1-11 for a property tax exemption for the land described in subdivision (2) for the 2008 assessment date but filed in 2008 an exemption application that will first apply to the 2009 assessment date under IC 6-1.1-11.

(4) For the assessment date in 2008:

(A) the land owned by the church would have been eligible for exemption from property taxes if the church had timely filed an application under IC 6-1.1-11 for a property tax exemption for the land; and

(B) the church's property will be subject to assessment and taxation.

(b) Notwithstanding IC 6-1.1-11 or any other law specifying the date by which an application for property tax exemption must be filed to claim an exemption for the 2008 assessment date, a church described in subsection (a) may before July 1, 2009, file with the county assessor an application for property tax exemption for the 2008 assessment date.

(c) Notwithstanding IC 6-1.1-11 or any other law, an application for a property tax exemption that is filed under subsection (b) is

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considered to be timely filed for the 2008 assessment date, and the county assessor shall forward the application to the county property tax assessment board of appeals for review. The board shall grant an exemption claimed for the 2008 assessment date if the board determines that:

(1) the church's application for property tax exemption satisfies the requirements of this SECTION; and

(2) the church's land was, except for the failure to timely file an application for a property tax exemption, otherwise eligible for the claimed exemption on the 2008 assessment date.

(d) This SECTION expires January 1, 2010.

SECTION 235. [EFFECTIVE UPON PASSAGE] (a) The legislative council shall appoint an interim study committee to study whether taxpayers are permitted an appropriate opportunity to participate in the process for determining the levies, tax rates, special assessments, special benefits taxes, and budgets imposed by political subdivisions.

(b) The committee shall operate under the rules and procedures of the legislative council for study committees.

(c) Each member of the committee is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this subsection shall be paid from appropriations made to the legislative council or the legislative services agency.

(d) The affirmative votes of a majority of members appointed to the committee are required for the committee to take action on any recommendation.

(e) The chairman of the legislative council shall appoint a member of the committee to serve as chairperson.

(f) The committee shall prepare and submit a written report of the committee's findings in an electronic format under IC 5-14-6 to the legislative council not later than November 1, 2009.

(g) This SECTION expires January 1, 2010.

SECTION 236. [EFFECTIVE UPON PASSAGE] (a) The commission on state tax and financing policy established under IC 2-5-3 shall study the allocation and distribution of county adjusted gross income taxes (IC 6-3.5-1.1), county option income taxes (IC 6-3.5-6), and county economic development income taxes (IC 6-3.5-7) to civil taxing units within a county.

(b) Before November 1, 2009, the commission on state tax and financing policy shall report its findings and any recommendations

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1 concerning the study topic described in subsection (a) in a final  
 2 report to the legislative council in an electronic format under  
 3 IC 5-14-6.

4 (c) This SECTION expires January 1, 2010.

5 SECTION 237. [EFFECTIVE JANUARY 1, 2010] IC 6-3.1-4-2, as  
 6 amended by this act, applies to taxable years beginning after  
 7 December 31, 2009.

8 SECTION 238. An emergency is declared for this act.

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## NOTE:

For the text of:

- (1) the House Committee Report for HB 1447; and
  - (2) the House Motions for HB 1447;
- see HB 1447, as reprinted February 24, 2009, beginning at page 294.

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### COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1447, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1447 as reprinted February 24, 2009.)

HERSHMAN, Chairperson

Committee Vote: Yeas 10, Nays 1.

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